



Daily Report

Latin America

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Monday
3 June 1991

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21st OAS Assembly To Open 3 Jun in Santiago

Foreign Delegations Arrive

PY0206021091 Santiago Television Nacional
de Chile Network in Spanish 0000 GMT 2 Jun 91

[Excerpts] Most delegations to the 21st OAS Assembly scheduled to begin on 3 June in Santiago have arrived. The arriving foreign ministers have agreed that the main subject on the agenda will be the strengthening of democratic systems of government.

Delegations from the 34 countries that belong to the OAS and members of the organization's general secretariat began to arrive early today on board regularly scheduled flights and private planes.

The assembly that will start on 3 June will address drug trafficking, the environment, human rights and the strengthening of democratic systems. This is the first time that all OAS member countries have this type of government. [passage omitted]

The Mexican, Colombian, Peruvian and U.S. delegations are expected tonight.

Bolivia Focusing on Sea Outlet

PY0206030291 Santiago Television Nacional
de Chile Network in Spanish 0000 GMT 2 Jun 91

[Text] The Bolivian delegation to the 21st OAS Assembly is focusing on the possibility of obtaining a sea outlet for Bolivia. The Bolivian foreign minister stated upon arrival in Santiago that the resumption of diplomatic relations with Chile is tied to discussion of this issue.

The Bolivian delegation led by Foreign Minister Carlos Iturralde arrived in Chile at 1435 today. The Bolivian foreign minister said that all the issues on the agenda are important for his country. He clearly stated, however, that the sea outlet for Bolivia is top priority. He added that he cannot talk about the strategy that the delegation will use to pursue this objective but they will make their pitch on 5 June when the issue comes up for discussion at the assembly.

[Begin recording] [Iturralde, in progress] ...the important thing is not to leave any issue undiscussed and one of these issues is the sea outlet for Bolivia, and we unequivocally tie the resumption of diplomatic ties to this issue.

[First unidentified reporter] Excuse me, I did not understand the bit about the resumption of relations.

[Iturralde] We link this problem to the resumption of relations with Chile.

[Reporter] You mean the resumption of relations depends on the discussion of this issue?

[Iturralde] That is what we believe.

[Second unidentified reporter] Chilean officials believe that Bolivia's sea outlet is not a problem for the OAS but for bilateral talks. What do you think?

[Iturralde] I think that we are prepared to hold bilateral talks. We have brought up this issue at all international forums because Chile has not been willing to discuss it at a bilateral level. If Chile does not want multilateral or bilateral talks on the subject, where does that leave us? That is why we must address this issue.

[First unidentified reporter] Mr. Foreign Minister, on what terms does Bolivia want its sea outlet?

[Iturralde] Let us leave those details for the appropriate commissions, if they are ever established. In any case, I want to tell you that I am very happy to be here in Chile. For a long time I have not been able to come to Chile. The last time I came to Chile was when my stepfather was ambassador here. I like being in Chile; it is very pleasant here. Thank you. [end recording]

More Delegations Arrive; Agenda

PY0206032091 Madrid EFE in Spanish 1126 GMT
1 Jun 91

[Excerpts] Santiago de Chile, 1 Jun (EFE)—Three Latin American foreign ministers are already in the Chilean capital while the rest will arrive today to participate in the 21st OAS General Assembly which will begin with a dialogue among the delegates from 34 countries.

Yesterday Costa Rican Foreign Minister Bernd Niehaus Quesada, who will run for OAS secretary general in 1993, arrived. Also arriving were Foreign Secretary Fernando Solana Morales of Mexico and Foreign Minister Sahadeo Basdeo of Trinidad and Tobago.

The majority of the Latin American foreign ministers will arrive in Santiago 1 June. Lawrence Eagleburger, U.S. deputy secretary of state, will also arrive heading the U.S. delegation. He is replacing Secretary of State James Baker, who is concentrating his activities on the Mideast situation.

Also absent will be Brazilian Foreign Minister Francisco Rezek. He will accompany Brazilian President Fernando Collor de Mello on a tour of Sweden and Norway.

The Brazilian delegation will be headed by Marcos Azambuja, secretary general of the Foreign Ministry. [passage omitted]

The agenda of the 21st OAS General Assembly has 51 items that must be ratified by the representatives of the 34 nations meeting tomorrow, 2 June.

On Monday morning, 3 June, the 21st General Assembly will have its opening session, which will be presided over by Chilean President Patricio Aylwin and Brazilian Joao Baena Soares, secretary general of the OAS. [passage omitted]

[Madrid EFE in Spanish at 2250 GMT on 1 June, in a 130-word item datelined Santiago de Chile, reports the arrival in Santiago of OAS Secretary General Joao Baena Soares and Nicaraguan Foreign Minister Enrique Dreyfus as well as Juan Jose Cuevas, Honduran ambassador to the OAS. According to the EFE report, Cuevas noted that "national security" is among the 51 items on the agenda.

[Furthermore, Madrid EFE in Spanish at 0235 GMT on 2 June, in a 400-word item datelined Santiago de Chile, reports that delegations from the following countries arrived 1 June for the 21st OAS General Assembly: the Bahamas, Guatemala, Barbados, the Dominican Republic, El Salvador, Panama, Brazil, Venezuela, Peru, Haiti, Paraguay, and Colombia.]

Argentine Minister on Mercosur Response to Bush

*PY0106213091 Buenos Aires TELAM in Spanish
0113 GMT 1 Jun 91*

[Text] Buenos Aires, 31 May (TELAM)—Argentine Foreign Minister Guido Di Tella said today that "on 20 June the foreign ministers of the four countries of the Mercosur [Common Market of the South] will give a common answer to President George Bush's Americas Initiative."

In a news conference this afternoon at the Foreign Ministry, Di Tella said that "Argentina, Brazil, Uruguay, and Paraguay will give a joint answer to the U.S. initiative that will open up the formal path to begin talks on the free trade zone."

The foreign ministers of the four countries and President Bush will meet on 20 June 1991 in Washington to sign a treaty which, according to Di Tella, "involves a mechanism of negotiation, whereby the parties express their willingness to talk over the establishment of a free trade zone, of an economic opening, and of integration."

Di Tella also compared the Mercosur with the forthcoming establishment of a free trade zone among the United States, Canada, and Mexico. He added: "This agreement will be historic, and we take it as the beginning of similar agreements among other American countries."

According to the foreign minister, "this free trade zone implies a profound transformation of the economies of the countries, and we feel that the Mercosur countries can be protagonists of future negotiations as soon as Mexico concludes its negotiations."

He concluded by saying that "Mexico is a couple of years ahead of us and has achieved its objective by starting earlier the same policy of integration in world trade that is being implemented by Argentina. [no closing quote as received]

Mercosur To Sign Accord With U.S.

*PY0106211991 Madrid EFE in Spanish 2204 GMT
31 May 91*

[Text] Brasilia, 31 May (EFE)—Brazilian Foreign Minister Francisco Rezek today reported that in Washington on 20 June the Common Market of the South (Mercosur) and the United States will sign an economic agreement within the framework of the "Americas Initiative."

According to Rezek, the document will be signed by U.S. Secretary of State James Baker and Foreign Ministers Francisco Rezek of Brazil, Guido di Tella of Argentina, Alexis Frutos of Paraguay, and Hector Gross of Uruguay.

The economic agreement will set the basis for exchange between the United States and the Mercosur partners in the fields of trade and investment. This exchange will be conducted within the framework of the "Americas Initiative" launched by U.S. President George Bush in 1989.

The "Americas Initiative" contemplates the establishment of a free-trade zone in the American Continent.

At the beginning, the Mercosur country members asked that the agreement include issues such as the foreign debt and technological exchange, in addition to trade and investment; however, the United States rejected the request.

Pacific Commission Protests French Nuclear Tests

*PY3105185191 Madrid EFE in Spanish 1836 GMT
30 May 91*

[Text] Santiago, 30 May (EFE)—The Permanent South Pacific Commission (CPPS), which comprises Colombia, Chile, Ecuador, and Peru, has lodged a protest with the French Government over a new nuclear test that France conducted at the Mururoa Atoll in the Pacific Ocean.

A communique signed by Teodoro Bustamante, CPPS assistant secretary general for legal affairs, states that tests were conducted on 7 and 18 May at the French test site.

The note said that the CPPS general secretariat, which is headquartered in Santiago, "complying with the mandate received from CPPS members, reiterates a statement it released on 9 May, following the first test."

The note said that the statement "once again expressed categorical and adamant repudiation for that type of test, which entails serious risk for the maritime environment and for marine resources."

The note concludes by stating: "The general secretariat strongly deplores that France persists in conducting these tests despite the extended protest of nations, especially those of the Pacific basin. It will not give up its permanent demand for the immediate and definitive termination of such tests which cause so much concern."

FAO Announces L.A.-Caribbean Cholera Aid

*FL3005174191 Bridgetown CANA in English
1637 GMT 30 May 91*

[Text] Rome, May 30, CANA—The Food and Agriculture Organisation (FAO) has announced assistance to help stem the spread of cholera in Latin America and the Caribbean through projects aimed at controlling food quality, including safety of street foods.

The United Nations agency said a one-year U.S. 150,000 dollar project to control the contamination with cholera of marine and agricultural products had been approved for Peru, currently hit by an outbreak of the disease.

The project will also attempt to reverse the economic effects of the cholera epidemic by establishing a quality certification system for marine and agriculture products.

Projects involving countries neighbouring Peru (Bolivia, Chile, Colombia, and Ecuador) are also being planned, as are sub-regional projects for Central American countries and Panama and the Caribbean countries, FAO reported.

The assistance to be provided will be in the range of one million to 1.2 million dollars.

Cuba**'Milestone' Opposition Statement Released***LD0106183791 Prague Federal 1 Television Network in Czech 1730 GMT 1 Jun 91*

[Text] A statement by Cuban writers handed over to a CTK correspondent in Havana on Friday [31 May] by members of the opposition is being seen as a milestone in the development of views in the Cuban intelligentsia. The document calls on the government to hold direct and free parliamentary elections, to introduce freedom to travel, fundamental changes in agriculture, and other democratic reforms. The statement has also been signed by four leading members of the official Cuban writers' and artists' union.

Havana Notes TV Marti Vote in U.S. Subcommittee*FL0106010091 Havana Radio Rebelde Network in Spanish 2302 GMT 31 May 91*

[Text] The proponents of keeping the anti-Cuban television channel, TV Marti, on the air have received a preliminary blow with the decision of a subcommittee of the House of Representatives to reject the budgetary allocation for the broadcasts. They agreed by six votes to five to propose the elimination of the \$14 million assigned to the anti-Cuban television channel for the next fiscal year, which begins on 1 October 1991. According to Democratic Representative Alexander, the anti-Cuban television channel is totally ineffective because the broadcasts are systematically jammed by Cuban authorities, who consider them a violation of their sovereignty.

Castro Visits Pan-American, Congress Projects*FL0106005391 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 1 Jun 91*

[Text] Commander in Chief Fidel Castro, first secretary of the Central Committee of the Communist Party of Cuba, has visited Santiago de Cuba to see what progress has been made in completing the construction works for the 11th Pan-American Games and the fourth party congress. He was accompanied on his tour by Esteban Lazo Hernandez, a Politburo member and the party first secretary in Santiago de Cuba Province. In the largest facility that is being built for the Pan-American Games, the Multipurpose Arena, with capacity for 5,000 spectators, Fidel found out that its major areas are already receiving their final touches. The 2,000 construction workers confirmed their determination to finish it by 30 June and to win the fraternal emulation campaign against their counterparts who are building a similar facility in Havana.

During his stay in Santiago de Cuba, the commander in chief observed the progress of the works for the party congress. He verified that the grand theater where the congress will be held is virtually completed, and now the work is concentrating on the exterior areas. The first of

the 23 machetes for the sculpture in Antonio Maceo Revolution Square was assembled a few hours ago.

In addition, the members of the Frank Pais Contingent who are working on the Hotel Santiago expressed to Fidel their commitment to finish it by 26 July, along with the other facilities designed for the congress. The commander in chief praised the efforts by the residents of Santiago de Cuba to make the city a worthy site for the fourth party congress.

European Parliament Mission Arrives*PA0206213191 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 2 Jun 91*

[Text] A mission from the European Parliament arrived today in Havana at the invitation of the National Assembly of the People's Government [ANPP]. ANPP Secretary Ernesto Suarez was on hand to welcome the visitors. The European mission comprises deputies from the United Kingdom, Germany, and Italy, who said upon arriving that their primary interest is to see Cuba and the difficulties the country is facing, particularly in the wake of developments in Eastern Europe.

They also noted this visit as being very important since proposals in favor of Cuba will stem from it in the European Parliament and in each of their respective countries. The deputies' schedule includes visits to areas of scientific and socioeconomic interest, and meetings with Cuban political personalities. The visit will end on 7 June.

Country Reelected to UN Human Rights Commission*FL3005201291 Havana Radio Reloj Network in Spanish 1938 GMT 30 May 91*

[Text] With its reelection as a member of the UN Human Rights Commission, our country confirmed that the supposed isolation of Cuba is part of another campaign the Yankees are fabricating against us. Our country, one of the seven candidates for the six seats, was supported in its desire to remain on that commission by 38 of the 54 members of the (Security) Council, which nominates the members of the Human Rights Commission.

*** Soldiers' Productivity in Agriculture Praised***91CA0136A Havana GRANMA in Spanish 18 Apr 91 p 8*

[Report by Angel Perez Ruiz]

[Text] When the tank crewmen headed that morning for the tomato fields near the Los Palacios collection enterprise, where the DAAFAR [Antiaircraft Defense and Revolutionary Air Force] boys were already working, one campesino could not help but take off his hat and exclaim: "Good God, if they work like these guys, we will not have any crates left in the municipality!"

Such scenes are being repeated every day in the Pinar del Rio areas in which the 30th Anniversary of the Western Army group is working. The group consists of combatants with more than two years of active duty in this command, the MGR [Revolutionary Navy], DAAFAR, MINFAR [Ministry of the Revolutionary Armed Forces], and military unit 1011. They total 3,500, divided into two shifts, and many have been demobilized through incentives owing to their outstanding work since January.

As of the seventh of this month the young men from the Western Army had harvested 475,389 crates of tomatoes (216,085 quintals). This represents 35 percent of the harvest of the Los Palacios CAI [Industrial Automation Center]. They packed 3,246,208 crates and recycled more than 50,000 of them, besides putting in 3,381 hours driving tractors.

This and other work translated into a production value of 859,729 pesos, of which they contributed more than 105,000 to the MTT [Territorial Troops Militia], while they achieved an overall productivity of 178 percent of their quotas.

Eduardo Quinones is a living example of this hard work in the fields. This 25-year old sailor holds an impressive record: 61 boxes of tomatoes in a single day (the quota is 12). In other crops such as sweet potatoes, beans, cucumbers, and pumpkins, the high percentages of quota fulfillment reflect the spirit of these boys, who also rolled up their sleeves and took on some 30 collateral support tasks and posted an attendance rate of 97 percent.

Ship of the Line Lieutenant Luis Novo (36 years of age), the chief of the San Ricardo Camp, says that what is most important is utmost respect for a day's work.

"Those of us in command also work alongside the soldiers and we do the planning in our free time. Administration and services have minimal personnel," the young officer explains.

Actually, the mobilized men have developed close ties with all of the regional groups of the CAI, and many feel that major political and economic principles of the War of All the People are being applied there.

As to the visit that Fidel paid them last March, Lieutenant Colonel Segundo Alvarez says that it was a stimulus and a cause for general rejoicing among the members of the group.

"He told us that at the peak of the harvest we had to guarantee a daily shipment of 10,000 quintals of tomatoes to Havana. The boys took the task to heart, working up to 16 hours a day to exceed the goal by 4,000 or 5,000 quintals," recalls the political worker, adding: "We are all proud of having done our duty to Fidel and to the people."

Emulation and rewards for top workers also play their role in the performance of the combatants. Emulation commissions made up of the chiefs, the party, the UJC [Union of Young Communists], and the directors of the

farms select the vanguards and top workers in each harvest, report their accomplishments, and set them up as examples to the rest of the personnel.

This mobilization also benefited from the energy and experience of retirees. There were 57-year old Colonel Victor Paez, retired, a founder of the party and of the guerrilla front in Pinar del Rio; Enrique Gil and Felipe Valladares, also demobilized from the FAR [Revolutionary Armed Forces]; and Blanca Nieves Cruz, 46, the "superwoman" who accompanied her husband and son (from DAAFAR) and worked alongside them.

Jose Marrero Camacho, the first secretary of the party at Los Palacios, emphasizes that the work of the combatants was distinguished by their productivity, comprehensiveness, and leadership style.

"The experience bore fruit, and there are prospects for improving it by moving up the harvest to the last quarter of the year, boosting the yield per caballeria [1 caballeria=33.2 acres], and insuring all of the support tasks. In this too we learned from the FAR and we found a common work language," says the party leader.

* Text of Regulations for Excess Workers

91CA0135A Havana TRABAJADORES in Spanish
1, 8, 15 Apr 91

[Text of Resolution no. 4/91 - CETSS (State Committee for Labor and Social Security) in three installments, signed by Minister President Francisco Linares Calvo; issued in Havana, 15 March 1991]

[1 Apr p 5]

[Text] Whereas: Resolution no. 13 of 21 August 1990 and Resolution no. 17 of 25 October of the same year were issued by the State Committee for Labor and Social Security. The first established the labor and salary treatment applicable to workers whom it is necessary to transfer because of the abolition of positions through application of the multiassignment system, structural changes, and other causes, all duly authorized; the second provided the labor and salary treatment applicable to those workers who become excess workers as a consequence of a reduction in fuel supplies or other technical-material supplies.

Whereas: The desirability of combining both provisions, by introducing modifications enabling them to grant the same labor and salary treatment to excess workers, insofar as possible, is evident.

Therefore: By virtue of the powers conferred upon me, I hereby resolve to issue the following:

Regulation on Labor and Salary Treatment Applicable to Excess Workers

Chapter I: Generalities

Article 1. The present regulation establishes the labor and salary treatment applicable to workers hired for an

indefinite period of time, appointed or selected to occupy a position, and those hired for a specific period of time to perform social services, as well as artists who are hired only for a specific time period to perform artistic services, whom it is necessary to transfer as a consequence of:

- a) A reduction in fuel or other technical-material supplies;
- b) Structural or institutional changes in the organization of the state, enterprises, unions and other labor entities or the termination of the functions of these entities, in all cases duly authorized;
- c) Abolition of positions, also duly authorized, by the application of the multiassignment system or of other labor or production organization studies and measures, to achieve the best utilization of the workforce.

Article 2. For the purposes of this regulation, the following terms shall be used:

- a) Excess worker: a person whom it is necessary to transfer for any of the causes listed in the preceding article;
- b) Available worker: an excess worker who, upon the termination of the organization in which he worked, could not be transferred, and therefore, has been accepted as such by the appropriate municipal labor department, with this organization paying him the guaranteed salary to which he is entitled; and
- c) Abolition of positions: the action of canceling or deactivating a position which until that time had been occupied on a permanent basis, for one of the causes listed in subparagraphs b) and c) of the preceding article.

Chapter II: Labor Treatment

Article 3. The excess worker will be offered temporary or permanent employment in another post or occupation which needs to be filled, of a complexity similar to the one which he had been holding, or with a different level of complexity but for which the worker is qualified. In both cases, the place where the worker lives will be taken into account, insofar as possible.

This provision does not in any way restrict the worker from seeking and obtaining his transfer to a position, occupation or activities of a nature different from those listed in the preceding paragraphs.

Article 4. The management of the organization, bearing in mind the provisions contained in the present regulation and the features particular to each case, may make the following offers:

- a) Permanent or temporary transfer to another necessary post or occupation within the same organization;
- b) Permanent or temporary transfer to a necessary post or occupation in another organization, preferably one which is located in the place where the worker lives, in the municipality of his legal residence, or where his organization of origin is located. In addition, the worker may be offered a transfer to another municipality if, because of the nature and specialization of the activity

he performs, he traditionally works outside of the town of his residence, as well as in other cases in which such a transfer may be feasible and necessary.

- c) Placement in positions left temporarily vacant because of military, agricultural or social mobilizations, service in internationalist missions or other causes, so long as these positions need to be filled, and which the excess worker may perform until the return of the holder of this position or until that position or another position which he may occupy is left vacant permanently;
- ch) Service on a temporary basis in another part of his own organization or in a different organization;
- d) Placement in work or activities of importance to the organization or the territory or as support for work being carried out by microbrigade members;
- e) Enrollment in training or retraining courses in the same organization or in another part of the same or another organization, as well as in those given by the National Education System, provided that these courses are necessary and that the workers meet the established requirements; and
- f) Placement in necessary agricultural work on a temporary or permanent basis.

Workers made excess through a reduction in fuel supplies or of other technical-material supplies will be only be offered transfers of a temporary nature in order to preserve, insofar as possible, the workforce of the labor collective until the time when normal conditions are restored. When the administration determines that in addition, positions need to be terminated and permanent transfers offered their excess workers, it shall act in accordance with the provisions established for such cases in the present regulation.

Article 5. The administration, acting in mutual agreement with the appropriate union organization, will make the employment offers and will act to transfer the worker, taking into account the results of the analyses by the commissions established in the organization under Resolution no. 18 of 9 November 1990 of this State Committee for the acceptance and continuation of workers in employment, and their promotion.

These commissions are also empowered to evaluate and determine the impossibility of transferring the worker due to reasons of illness, physical disability, problems related to the care of minor children, or other justified situations, well as determining whether the worker is qualified for the employment offers.

Article 6. After the workers have been informed of the employment offer, they will have up to seven calendar days to inform the head of the organization or the person to whom authority has been delegated, whether or not they will accept the offer in question.

Article 7. Workers who are temporarily transferred retain their work connection with their organization of origin.

Article 8. If the worker enrolled in a training or retraining course is unable to complete the course for

causes which, upon analysis by the head of the organization or by the person to whom this authority is delegated, are found to be duly justified, the administration will review the possibilities of transfer which are established in Article 4 of this regulation and will make the appropriate offers.

[8 Apr p 5]

[Text]

Chapter III: Salary Treatment

Article 9. In terms of his salary treatment, the temporarily transferred worker may choose from among the following options:

- a) To retain 100 percent of the amount of the fixed salary which he had been receiving in the organization in which he works.
- b) To accept the salary established for the occupation to which he has been transferred, based on the form of payment existing in the work place under current legislation.

If he chooses the option listed in subparagraph a), to receive 100 percent of his fixed salary, the worker must meet 100 percent of the work standards for the work he performs or the task he is assigned by the administration; if he does not do so, the worker will receive a comparable proportion of his salary.

If he exceeds the standards set, the worker will receive the salary appropriate for his performance, based on the rates set for the work he does.

Article 10. For the purposes established in the present regulation, the fixed salary is considered to be the amount due to the worker up to the limit of eight hours per day, 44 hours a week, or 190.6 hours per month, based on the stable salary components; therefore, any extra work and bonuses are excluded from what he receives for overcompliance with standards.

When some of the components of the fixed salary which the worker receives are contingent upon meeting indicators or conditions, the amount of this component will be set as the average amount actually due to the worker during the last six months worked.

Article 11. The excess worker who can not be transferred because of the lack of an employment offer, but who has expressed his willingness to perform any useful work and the worker who can not do so, based on some of the reasons listed in the second paragraph of Article 5 of the present regulation, will receive a guaranteed salary equivalent to 100 percent of his fixed salary during the first month and in subsequent months so long as he has not been transferred; this guaranteed salary will be equivalent to 60 percent of his fixed salary, and the work connection with his workplace of origin will be retained.

The 100 percent fixed salary guaranteed for one month will be granted only once, if the work stoppages should

recur; when they occur for periods of short duration, this 100 percent salary will be paid until 1 month has been completed.

Article 12. Temporarily transferred workers will receive their salary in the organization where they are working or in their organization of origin, as provided by the regulation issued for this purpose, but in either case, they will retain their work connection with the organization of origin.

Article 13. The worker who is made excess by reductions in fuels or other technical-material supplies who does not accept offers of transfer or placement in courses, and whose action is held to be unwarranted by the commission, as it does not meet the circumstances listed in the second paragraph of Article 5 of this regulation, or who drops or does not pass the course, without justification, will be paid one time only 100 percent of his fixed salary for one month, and he will not receive any other guaranteed salary so long as he remains in this situation. Nevertheless, he will retain his work connection with his organization of origin.

Article 14. The worker whose position is abolished as a consequence of the conditions stipulated in subparagraphs b) and c) of Article 1 of the present regulation, and who also does not accept offers of transfer or placement in courses, and who in the opinion of the commission does not meet the circumstances listed in the second paragraph of Article 5 of the present regulation, or who drops or does not pass the course, without justification, shall only be entitled to receive the guaranteed salary for the first month of his fixed salary; this amount shall be paid by the labor organization, after which he shall be given his permanent discharge.

Article 15. The worker permanently transferred either inside or outside his own organization to a job or occupation with a salary lower than the fixed salary he had been receiving, will keep this salary so long as he remains in his post or occupation in this same organization to which he was transferred, or if he is later promoted to a position of equal or higher complexity and compensation, but still less than his fixed salary.

In addition, if after his transfer he is offered a position for which he is qualified, of a complexity and compensation equal to or higher than the one he had initially held, and if he does not accept this position without justification, as determined by the commission which evaluates the case, he will lose his right to retain his fixed salary, and he will remain in the job to which he was transferred, with the salary set for that position.

Article 16. The excess worker who is placed in a training or retraining course shall be subject to the provisions of the current legislation on technical training.

When he can not complete the course for causes which, upon analysis by the head of the course, are found to be duly justified, he will have the right to continue receiving

the guaranteed salary. If he completes the course satisfactorily and it is not possible to transfer him, he will continue to receive the appropriate guaranteed salary until the time of his transfer.

In cases in which the guaranteed salary exceeds what he will receive as a stipend for the training course, the organization, or as appropriate, the municipal labor board, will pay the appropriate difference.

Article 17. For the excess worker who is hired for a specific time or for the execution of some particular job or project, payment of the guaranteed salary will be suspended during the time of his contract, and at the end of this contract, payment will be resumed.

Article 18. The excess worker who reaches the period set for maternity leave will receive the treatment prescribed by current legislation.

Article 19. When the 60 percent guaranteed salary established in this provision is insufficient to meet the minimum needs of the nuclear family, the case will be handled by Social Services, in accordance with current provisions.

[15 Apr p 5]

[Text]

Chapter IV: Procedure for Declaration of Excess and Available Workers

Article 20. Reductions of the workforce or other types of procedures which result in excess workers may not be executed without the authorization of the State Committee for Labor and Social Security, if national organizations are involved, or of the appropriate provincial labor department, if local organizations are involved.

In cases of duly authorized termination of a labor organization, without another organization replacing it, its administration must take steps to transfer its workers with the organ or organization to which it is subordinated and with other organizations of the territory, keeping the State Committee for Labor and Social Security informed of all these steps, if this is a national organization, or the appropriate provincial labor department, if the organization was under local authority.

Article 21. When the organization has excess workers for causes listed among subparagraphs b) and c) of Article 1 of this regulation, when the authorization referred to in the preceding article has been granted and the transfer offers have been made, as well as cases in which it was not possible to offer employment or training courses, or cases in which the worker has rejected them, the labor department of the appropriate municipality must be informed of the possible excess workers and the steps and procedures used to resolve these cases. This report must include any other information which may be necessary to verify that the proposed transfers are appropriate or that all possible solutions and approaches taken

by the higher administrative levels and the union organization have actually been exhausted.

Article 22. After the municipal labor department has received the information referred to in the preceding article, it has a period of up to 30 days to make new employment offers to excess workers, if possible, and to select the appropriate solutions, in accordance with the provisions of this regulation.

Article 23. The municipal labor department will only accept available workers in cases of termination of organizations when it was not possible to transfer these workers earlier.

Article 24. Workers who have been declared available, and their appropriate municipal labor department shall be subject to the norms established in the preceding sections on employment or course offers, temporary or permanent transfers, salary, guaranteed salary, and temporary or permanent suspension of this guaranteed salary, as well as the provisions related to maternity leave and social services assistance, when appropriate.

Article 25. When the plan schedules a fuel reduction or reduction in other technical-material supplies which causes a reduction in its levels of activity, if the organization is under national authority its superior organization shall so inform the State Committee for Labor and Social Security, or the appropriate provincial labor department, if it is subordinate to a local authority.

Article 26. After the information referred to in the preceding article has been received, the State Committee for Labor and Social Security or, if appropriate, the corresponding provincial and municipal labor departments, will work with the organization in seeking appropriate transfer offers and will advise them on how to best comply with the present resolution.

Article 27. The organizations referred to in the two preceding articles and those which may in an unplanned manner also suffer the consequences of reductions in fuels and other technical-material supplies, at the completion of the transfer process shall inform the municipal labor department of the number of their excess workers, of those who have been transferred, those who are receiving a guaranteed salary, and those whose guaranteed salary has been suspended.

Article 28. The administration of the organization may not notify the worker of the decision to declare him excess or available during:

- a) A period in which he is temporarily incapacitated because of illness or an accident which is either non-work-related or work-related.
- b) His service in internationalist missions or military mobilizations or other economic and social mobilizations.
- c) Annual paid vacations.
- d) Maternity leave, either paid or unpaid.

When the worker returns to work, the notification will be made by the organization of origin or, in the event of its termination, by the one which has replaced it.

When in an exceptional case an organization is terminated without another replacing it in its place and position, the notification referred to in the preceding paragraph will be made by the municipal labor department.

Special Provisions

One: In cases in which the position of a worker is abolished while he is serving in an internationalist mission, upon the worker's return the entity in which he works or, as appropriate, the one which has replaced it, is required to continue paying his salary and to initiate the entire transfer process which is provided in the present regulation, after the worker has taken the vacation leave to which he is entitled.

Two: Veterans of the War of Liberation and of the Clandestine Struggle who have been declared excess or available workers shall be governed by the provisions of Decree-Law no. 91 of 2 December 1985.

Three: Workers who are called up for SMA [Active Military Service], who are serving in a microbrigade or other social projects, and others as determined by law, whose positions are abolished retain their work connection with their organization of origin until they return to it, at which time the procedures established in the present regulation will be initiated.

Four: If the worker who is declared excess is a retired person hired for an indefinite period of time, he will not receive the guaranteed salary stipulated in the present regulation, since he receives social security payments.

Five: The excess worker who is diagnosed as totally incapacitated for work, as determined by the Medical Review Board, whose pension enquiry is about to begin or is being processed, will continue to receive the appropriate subsidy from the social security system until his pension enquiry has been resolved.

Six: The present regulation will be applicable to workers declared available and transferred under Resolution no. 13 of 21 August 1990.

Seven: The labor and salary treatment currently in effect will be retained for farm machinery operators who are declared excess workers.

Temporary Provision

Single Provision: If at the present time there are workers who were declared available under Decree no. 13 of 19 November 1977, they shall continue to receive the financial compensation granted by this decree for the period of one year, starting from the time of their declaration of availability. If this term had already expired when Resolution no. 13 of 21 August 1990 took effect, or expires later, payment of this compensation will be stopped immediately.

Final Provisions

One: The vicepresident responsible for the Department of Labor and Promotion and the sector director are authorized to issue information which may be required for the best execution of the present resolution.

Two: Article 33 is hereby rescinded and the repeal of Article 32 and the First Final Provision of Resolution no. 2660 of 11 October 1983 are hereby ratified; in addition, Resolutions no. 13 of 21 August 1990 and no. 17 of 25 October of the same year, both from this State Committee, are hereby rescinded, as well as any other provisions which may be in conflict with the provisions of this regulation.

Three: This regulation will take effect on its stated date.

Four: It is hereby ordered published in the GACETA OFICIAL DE LA REPUBLICA for general information.

Francisco Linares Calvo
Minister President

El Salvador**Cease-Fire Talks End; To Resume in 15 Days**

PA0306013491 Paris AFP in Spanish 2339 GMT
2 Jun 91

[Text] Caraballeda, Venezuela, 2 Jun (AFP)—Guerrilla leaders have reported that the round of peace talks between guerrillas and the Salvadoran Government ended today. Government representatives have reportedly left Caraballeda, a Caribbean beach resort close to Caracas, where the talks were taking place.

Representatives of the Farabundo Marti National Liberation Front (FMLN) will leave tomorrow, Monday.

Negotiations between the government and the FMLN suffered a setback at this meeting in Caraballeda when 44 amendments were presented drafted by the UN mediators, headed by Alvaro de Soto. Sources attending the meeting have said, however, that the process will probably resume within the next 15 days.

Guerrilla leader Jorge Shafik Handal explained that the main points of disagreement were related to the Armed Forces, which the FMLN feels should be purged, and the police corps, which the FMLN feels should be replaced by a civilian police force independent of the Army.

Handal said that the government and guerrillas also clashed on the issue of dissolving small private armies for personal security, and on the topic of ending impunity for the Armed Forces.

"We cannot agree to simple changes in form instead of real indepth changes," Handal said.

This is the third time that the FMLN and the Salvadoran Government have met in Caracas. In all, the two sides have sat down at the negotiating table 17 times.

Cristiani Sees Progress

PA0106044491 Paris AFP in Spanish 0354 GMT
1 Jun 91

[Text] San Salvador, 31 May (AFP)—Salvadoran President Alfredo Cristiani said today that the government and guerrilla delegations that have been meeting this week in Caraballeda (Venezuela) have overcome the stagnation in the cease-fire negotiations.

Cristiani told the press that "some agreements have been reached on the subject of the cease-fire, particularly in regard to procedures. There are understandings regarding other aspects, but there are still some matters pending before an agreement can be signed."

On 30 May, leaders of the Farabundo Marti National Liberation Front (FMLN) accused the government of backing away from its previous position by presenting more than 40 modifications to the working document on the subject of the Armed Forces that was presented by the United Nations, which acts as mediator in the talks.

Cristiani said that these statements are part of an FMLN strategy to "boycott the peace efforts."

The negotiations to end 11 years of war will be one of the main subjects in Cristiani's state of the nation speech after his second year of government, which he will deliver before the Legislative Assembly on Saturday.

Government on FMLN Tactics

PA0206042491 San Salvador EL DIARIO DE HOY
31 May 91 pp 2, 25

[Text] Caracas, Venezuela, 30 May (Special for EL DIARIO DE HOY)—Spokesmen for the government dialogue commission have accused the FMLN [Farabundo Marti National Liberation Front] of not wanting to sign the peace agreements, even though it was the FMLN that proposed 30 May as the date for signing a cease-fire.

"By trying to include new topics on the agenda, the FMLN has been delaying the signing of this agreement, following the tactics it has used on other occasions," the sources added.

The government spokesmen explained that the Caracas agenda, which rules the negotiations, says there is a "concentrated treatment" in the negotiations towards a cease-fire and the reorganization of the Armed Forces.

"With delaying attitudes, proposals that are not serious at all, and behavior that does not comply with the commitments for ending the armed conflict, the FMLN has wanted to slow down the dynamics of the process," said the members of the government commission.

They added that as part of its delaying strategy to not reach specific agreements, the FMLN has increased its acts of violence and destabilization across the country.

Terrorist leaders have been insisting, even before the Caracas meeting, that during this round of talks no peace agreements would be signed. Meanwhile, the government commission has upheld its commitment to achieve a cease-fire.

According to our reporters, the FMLN fears disarmament and becoming a political group championing an obsolete ideology.

Spokesmen for the government dialogue commission are Justice Minister [title as published] Dr. Oscar Alfredo Santamaria and Colonel Mauricio Ernesto Vargas, deputy chief of the Armed Forces General Staff.

Talks Experiencing 'Mini Crisis'

PA0206202391 Hamburg DPA in Spanish 1637 GMT
2 Jun 91

[Text] Caracas, 2 June (DPA)—The Farabundo Marti National Liberation Front [FMLN] said today that the peace negotiations with the Salvadoran Government are going through a "mini crisis," and that the need to reach

an agreement on the future of the Armed Forces to reach a cease-fire was reaffirmed in Venezuela.

"Without the Armed Forces topic there is no progress on the cease-fire" in El Salvador; however, "we would be ready to accelerate the negotiations" by signing a truce along with political agreements, FMLN delegation chief Jorge Shafik Handal said.

Handal noted that the negotiations began to experience a "mini crisis," after the government proposed amendments to the agreements on the Armed Forces reached last April during the previous round of talks in Mexico, but he admitted this situation cannot be described as a failure.

"The political commitment exists" to agree to end the hostilities, he said, adding: "the negotiations are going to continue. We are talking about setting new meetings."

According to sources that are participating in the meeting, the talks in Venezuela could end today, and the belief is that the Salvadoran Government and guerrillas will resume the negotiations in approximately 15 days, possibly in Mexico.

The rebels stated that by amending the agreements, the government is trying to "return to an argument that had been surmounted already," and is hinting that the negotiations will conclude with the signing of a cease-fire agreement. According to the Caracas agenda, basic political criteria should be reached to end the hostilities and to continue negotiating later on other pending topics.

"It is probably better to negotiate quickly; we are ready to accelerate" the process by signing cease-fire and political agreements, but "it is necessary for the government to propose it openly," Handal noted.

The changes to the Mexico Accords are not "a negotiating tactic," but "the imposition of the government's initial argument of defeating the FMLN through the negotiations," Commander Leonel Gonzalez said, regarding the talks in the Caraballeda Caribbean resort, located 50 km from Caracas. In this respect, Handal said President Alfredo Cristiani "represents a stance in favor of negotiations," but "there are recalcitrant sectors" behind him, trying to hamper the peace process.

At the Mexico talks, the government had accepted criteria on purging the Armed Forces, the chief FMLN condition to sign the truce. Now it only wants to agree to an "assessment" of the cadres implicated in human rights violations. In addition, the government "wants the topic of the impunity of the Armed Forces to disappear," Handal said.

Despite this step backward, it was reaffirmed in Venezuela that "without the Armed Forces there is no progress on the cease-fire," Gonzalez said. In addition, "problems were identified, and we talked about the commitment to find a solution" to a conflict that has claimed over 75,000 lives in more than one decade, he noted.

The rebels also announced that small- and medium-scale Salvadoran businessmen were ready to sit at the negotiating table and that the United States realized that a quick end to the hostilities must be found.

In El Salvador, people are "aware that if there is no peace, there is no possibility of development," Handal stated.

'Sabotage' of Talks Denounced

PA0106030991 (Clandestine) Radio Venceremos
in Spanish to El Salvador 0051 GMT 1 Jun 91

[Press bulletin issued by the staff of the National Army for Democracy in El Salvador on 31 May]

[Text] During negotiations, the Army has rejected ending impunity.

1. To the surprise of the nation and the international community, the government has rejected the working document on the Armed Forces, which was presented by the United Nations. The government made 45 amendments to the UN document, 22 of which are substantive. After eight months of [words indistinct], the Army now refuses to end or discuss impunity, or to undertake an independent purge.

2. With this, the Army is trying to sabotage the negotiations to delay the implementation of the mechanism that will prevent it from violating human rights. The Army has violated human rights by using terror tactics in its desperate attempt to recover territories under FMLN [Farabundo Marti National Liberation Front] control.

3. The offensive operation launched by the Army in eight of the 14 departments is targeted against civilians. As evidence of this, we see the long list of human rights violations. Since the offensive began, 14 people reportedly have been arrested in San Miguel, Morazan, San Vicente, Usulután, Cuscatlán, La Unión, and Chalatenango Departments. One U.S. citizen was listed among those arrested. In addition, six fighters of the National Army for Democracy have disappeared [words indistinct]. In Cacahuatique, the reports indicate that more than 60 peasants have been arrested so far this year.

These actions [words indistinct] against the Foundation for the Development of the Communities of Morazan and San Miguel [word indistinct]. One 65-year-old resident of San Miguel was murdered, and two other citizens were wounded in Cuscatlán Department. The Army has machine gunned three gentlemen [not further specified].

In addition, the Army's 2d and 4th Infantry Brigades fired mortars at the villages of (Cinuela) and El Volcan in Chalatenango Department. Army troops have also robbed the people in these communities, as well as in Chinameca and Suchitoto, and have damaged the plantations and terrorized the civilian population.

Meanwhile, in [words indistinct] Nueva Esparta, Anamoros, and Poloros [words indistinct]. The Army has

prevented products from entering the refugee settlements in Ciudad Segundo Montes, Ciudad Romero, San Carlos Lempa, Nueva Santa Cruz, Los Conejos, and El Pacun, and the villages San Antonio and La Mora in the northern area of Guazapa. In addition, the Army prevented the visit by an international organization. Armed Forces troops are constantly patrolling the area and questioning the refugees. The Army has also placed mines in agricultural areas.

In addition, we must add the serious violation to the human rights of members of international organizations and the forceful eviction of peasants, which we have previously denounced. While these events are taking place in the countryside, the Army has unleashed a wave of repression against labor and trade union leaders. The death squads have made serious threats against international organizations.

The National Army for Democracy will not tolerate this situation, and it will give a timely response to make the Army understand that our weapons will not be silenced until impunity ends and the Army is purged. We will continue to use our weapons until this criminal and anti-democratic Army disappears.

[Signed] Staff of the National Army for Democracy
[Dated] El Salvador, 31 May 1991

Army Issue Threatens Talks

PA3105231891 Madrid EFE in Spanish 1857 GMT
31 May 91

[Text] Caracas, 31 May (EFE)—The disagreement over the future of the Salvadoran Armed Forces could lead to the end of the negotiations without a firm peace commitment. The negotiations between the Salvadoran guerrillas and the Army have been taking place in Caracas for the past week.

Sources close to the negotiators said today that the meetings could end tomorrow, Sunday, [as received] without any statement from the parties announcing progress in the Armed Forces topic, which could be interpreted as a "step backward" in the peace process.

Spokesmen from the Farabundo Marti National Liberation Front (FMLN) accused the government of Salvadoran President Alfredo Cristiani of obstructing the talks and disregarding the agreements reached in the Mexico meeting held from 4 to 27 April.

FMLN Commander Shafik Handal said the Cristiani government "is doing everything it can to hold up the negotiations" by expressing its reservations over the Armed Forces document that was reviewed in the Mexico meeting.

Salvadoran Justice Minister [title as received] Oscar Santamaria requested that changes be made to 40 of the points contained in the document mentioned above, basically in matters regarding an Army purge.

The guerrillas and the Salvadoran Army had agreed to appoint an "ad hoc" commission to evaluate the conduct of the officers accused of human rights violations.

The government delegation is now demanding that two representatives of the Armed Forces should be part of the commission, a proposal which was rejected by the FMLN.

Handal said the government's proposal "is an attempt to interfere with the commission, which would no longer be impartial" when judging the military officers who should be investigated.

The FMLN representative said the government delegation is trying to remove the entire paragraph of the agreement that calls for an end to the "impunity" of military officers and is trying to replace the term "purge" with "evaluation" regarding the security agencies.

The negotiations between the government and the FMLN are being held in a hotel in Caraballeda, 30 km north of Caracas, under strict security measures controlled by Venezuelan personnel.

Handal said the "impunity" of the Armed Forces is one of the characteristics of the "dictatorship that has existed in the country for 60 years, in which not a single military officer has been punished for his crimes."

The FMLN insists on the need to demilitarize El Salvador, which has been adversely affected by a war for the past 11 years in which more than 70,000 people have been killed and in which there has not been a "victorious army or a defeated army."

"These are not negotiations for surrender, and therefore neither Army can be asked to unilaterally disarm and they (the government) is moving in that direction," the FMLN guerrillas have said.

Following the negotiations, diplomatic sources said the FMLN proposed the creation of a new military force from the merger of both Armies, an option which has been rejected by the government.

Leonel Gonzalez, guerrilla delegation member, said "there will not be a cease-fire if the government insists on the dissolution of the FMLN."

The FMLN commander said the Cristiani government "is going back to concepts, which were already discussed at the Mexico talks, on the disappearance or demobilization of the FMLN."

Gonzalez said that members of the Salvadoran Army are trying to create a climate that could lead to the failure of the negotiations.

The guerrilla "commanders" today broke the silence they had maintained during the first week of negotiations, in which Peru's Alvaro de Soto is acting as mediator and as the personal representative of UN Secretary General Javier Perez de Cuellar.

FMLN Commander on Talks

PA3105194791 Mexico City NOTIMEX in Spanish
1245 GMT 31 May 91

[Text] Mexico City, 31 May (NOTIMEX)—The Salvadoran guerrillas today accused the Cristiani administration of maintaining "a retrogressive position that is messing up" the negotiations that have taken place in Venezuela over the past six days. Commander Nidia Diaz of the Farabundo Marti National Liberation Front (FMLN) told NOTIMEX that the Cristiani administration has proposed 45 amendments to a document on the Armed Forces during the round of negotiations in Caraballeda, Venezuela.

She said that the document, whose third version was presented by the United Nations, proposes alternatives to reaching an agreement on the Armed Forces, which along with a cease-fire, are the main issues on the agenda.

Of the 45 amendments proposed by the government delegation, 22 are "substantive" and "reflect the retrogressive position" of the negotiations, whose previous phase in Mexico lasted 24 days, Diaz added.

She recalled that progress was achieved in previous talks because the government agreed to purge the Armed Forces, however, its current position has not only stalemated the issue, but also touches other points of the agreements signed in Mexico on 27 April.

The rebel leader believes that the Salvadoran conflict affects all social segments of the country, not only the government and the FMLN, and this is why we need specific agreements that would help us move closer to attaining peace.

Rebels Criticize Government

PA3105194891 (Clandestine) Radio Farabundo
Marti in Spanish to El Salvador 0000 GMT 31 May 91

[Station commentary: "In Caracas, the Government Plays With the People's Aspirations for Peace"]

[Text] The attitude shown by the government delegation at the negotiations in Caracas demonstrates that Arena [Nationalist Republican Alliance] and military personnel are negotiating in bad faith and playing with the Salvadoran people's aspirations for peace. The Arena government had that same attitude at the beginning of the previous meeting in Mexico, until national and international pressure forced it to reach agreements which, although partial, meant an advance and an achievement of the people's struggle.

Today in Caracas, after having discussed at length the topics involved in the negotiations, particularly the Armed Forces and the cease-fire, and after having attained a broad national and international consensus on the need to purge those criminal Armed Forces and to end impunity, the government has retracted points that

had already been solved. The hardening and retrogression in the government delegation's stance have been accompanied by a desperate military effort to obtain an advantage in the military terrain—something they have not done in 10 years. Both are also accompanied by the violent eviction of peasants, who are struggling to survive, and the strong campaign to discredit the mission of UN Observers for El Salvador, which will be installed soon in El Salvador.

If the government does not want to end impunity and purge the Armed Forces, then the civilian society cannot be left at the mercy of the military. If Arena and the high command ever thought that the negotiations would be easy, they must understand that if the Armed Forces are not negotiable, then neither is the National Army for Democracy. We are ready to reach the political agreements that will lead to a cease-fire. Arena and the military have the word. Sooner or later they will have to negotiate.

Assembly President on Constitutional Reforms

PA0206154891 San Salvador Canal Doce Television
in Spanish 0300 GMT 1 Jun 91

[Passages within quotation marks are recorded]

[Text] Luis Roberto Angulo Samayoa, president of the Legislative Assembly, said on Friday, 31 May, that reforms to the Constitution will be unanimously ratified by the 84 deputies, but he warned that ratification at this time could be a disadvantage for the government's position in the negotiations.

[Angulo] "As the ruling party, we must strengthen the government in the negotiations. We cannot deny that we ideologically oppose the FMLN [Farabundo Marti National Liberation Front]. We will never strengthen them in the negotiations. We will ratify the reforms. The 84 deputies will ratify them at the proper time. The Arena [Nationalist Republican Alliance] will raise its hands when a cease-fire is guaranteed."

As for criticism that was recently published regarding the creation of Onusal [United Nations Observers for El Salvador] proposed by the so-called Peace and Work Group, the Legislative Assembly president denied that the country's sovereignty was being violated.

[Angulo] "We have conflicts. There are realities, which we, as Salvadorans, must accept and we have to seek solutions. Many of us do not like some of the solutions, but there is no other way. We believe we must make an effort, and the Salvadoran people understand. We cannot please all sectors. I am sure that not even the FMLN can please all sectors."

He also said the change from 60 to 84 deputies shows that progress has been made in matters of democracy so that the FMLN can have the opportunity to join the political debate.

[Angulo] "Increasing the number of deputies gave them the opportunity to join the ideological debate. We are not afraid of the ideological debate. On the contrary, we would like Shafik Handal to come here and tell the people why the things he upholds are good. We would like him to convince the people in a public square to vote for him in order to win a seat, just as we did."

As for President Alfredo Cristiani's two years in office, which will be celebrated on Saturday, 1 June, Angulo said we can speak of progress in economic and political matters. As for the economy, agricultural production has increased. As for politics, there is a greater level of participation and a peace process, he said.

Guatemala

UK Foreign Affairs Deputy Secretary Visits

PA0106014491 Guatemala City Teleonce Television in Spanish 0345 GMT 28 May 91

[Text] On 27 May in Guatemala City, Tristan Garel-Jones, British deputy secretary of state for foreign affairs, who arrived on an official visit on 24 May, said that the United Kingdom backs the Guatemalan Government's efforts to pacify the country. Garel-Jones described his presence in Guatemala as a working visit to improve the relations between the two countries. He met with President Jorge Serrano, Foreign Minister Alvaro Arzu, and other government officials, and made some remarks on Guatemala's current situation.

[Begin recording] [Garel-Jones] Guatemala is a fully democratic country, although it is undergoing severe difficulties arising from violence. The Guatemalan people are awaiting better days. My trip's primary objective is for me and my government to support the peace process and President Serrano's efforts. We fully support these efforts and are willing to do as much as possible to help the Guatemalan Government and people end the terrible scourge of violence. One of the things I did on this trip was to donate equipment to the Guatemalan Government to help the security forces fight violence, drug trafficking, and related crimes.

[Reporter] What do you think of the drug trafficking in Latin America?

[Garel-Jones] It is a difficult problem. The first thing that European countries and the part of the world where I live must do, is to admit that this is a problem of all countries, not only of Guatemala and Colombia, or Latin America. It is a world problem. As I said, part of the equipment I delivered today is to help the security forces in their efforts to persecute and arrest drug traffickers. Every country should join the struggle against drugs. [end recording]

Deputy Minister Garel-Jones also commented on Guatemala's claim on Belize for more than 100 years.

[Begin recording] [Garel-Jones] Guatemala has not yet recognized Belize's independence. Guatemala is the only country not to do so. This is a point of contention between Guatemala and Belize. The United Kingdom has attended and is willing to attend any and all talks that might take place. The United Kingdom is ready and willing to assist the two countries in finding an honorable solution to this problem.

[Reporter] Are British troops still in Belize? This was also a point of disagreement between Guatemala and Belize. Prime Minister George Price and President Vinicio Cerezo met to smooth things over.

[Garel-Jones] Yes, there are British troops in Belize. We intend to keep those troops there as a stabilizing force until an agreement is reached between Guatemala and Belize. In such an event, however, our troops would not pull out immediately. That would depend on talks with the Belize Government. Meanwhile, the troops will remain there as a stabilizing force.

[Reporter] Did you and the Guatemalan foreign minister agree on a probable meeting to discuss the problem of Belize specifically?

[Garel-Jones] No. We touched upon the subject, but we did not initiate a negotiation because, as I said before, this is an issue between Guatemala and Belize. We are willing to do everything possible so those talks can take place. I have not been authorized to negotiate on behalf of Belize. I think that the breaking of relations between the United Kingdom and Guatemala only underlined the need for Guatemala and Belize to reach an agreement. The rest of the world is expecting such an agreement because the situation is very uncomfortable for Guatemala, and I suppose for Belize as well. I think we all owe this to Belize. As onlookers and interlocutors with a special responsibility, we owe Latin America and the rest of the world a settlement to this problem as soon as is practicable. [end recording]

Honduras

Callejas on Government Branches Confrontation

PA0106132891 Tegucigalpa Telesistema Hondureno Television Network in Spanish 0100 GMT 31 May 91

[Text] Today, the National Congress continued its investigations involving the judicial branch, but it did so from a distance. Deputies have continued holding talks with the Office of the Attorney General regarding charges made by Attorney General Leonardo Matute Murillo against the judicial branch, however, the deputies do not dare go to the Supreme Court yet.

The Attorney General's Office today continued testifying about the alleged irregularities in the handling of the National Corporation for Investment [Conadin]. The office delivered new evidence and documents supporting its charges.

Last Tuesday, the Congress began to hold meetings with members of the General Attorney's Office, who claim that the cases they present to the judicial branch are not being handled fairly.

[Begin recording] [Unidentified reporter] [Question indistinct]

[Unidentified speaker] Those have been illegal procedures. Matters have not been handled properly. The procedures have been changed in some cases. [Words indistinct]. I believe some persons are being manipulated by powerful sectors. I think that justice must be applied fairly, regardless of whether the accused person is rich or poor. [end recording]

Tomorrow the three branches of the state and the Armed Forces will speak to the people on a national network. The speeches, which were announced today, are aimed at giving the Honduran people a serious report on attempts to create a crisis by having one branch of government investigate another branch. The president is worried that this may cause an uncontrollable crisis.

In recent days there have been new verbal clashes between the state branches. One of these clashes was between Congress and the Supreme Court of Justice because of talks about an investigation that some believe is politically motivated and, therefore, represents a threat to the autonomy of the state branches. The other verbal clash involves the legislative branch and the Armed Forces because of talks about reducing the military budget, something which the military does not appreciate.

This is why Minister of Information Serrano has announced that the legislative, executive, and judicial branches will address the public at 2000 tomorrow and put an end to confrontations right now.

The president will not discuss the legal process because he views this as a dangerous and grave topic.

[Begin President Leonardo Callejas recording] I respect the autonomy of the branches of the state. This is a constitutional mandate. I urge the legislative and judicial branches to hold a dialogue because it is senseless to create crises in the country. Any state crisis is a source of concern.

Yesterday I watched with sadness a television program in which two deputies, one from the National Party and the other from the Liberal Party, were speaking about a legal process. As I see it, this is not a realistic attitude. Where would it lead? To an institutional crisis created by sectors of traditional parties?

As far as I am concerned, I am going to talk with National Party deputies to determine their position. Let us recall that the crisis that emerged during the Suazo Cordova administration threatened the Honduran state, institutional stability, and democracy.

We cannot return to the past. Careful thinking, political maturity, and dialogue are essential for these two state branches. I respect autonomy, that is why I am simply stating my opinion as a citizen who is concerned about the problems of his country. This is not the time to create this kind of situation. There is never a good time for that. State branches must respect each other. I appeal to them to hold a dialogue and seek alternatives other than a dead end that will only create problems for the country. [end recording]

The president has been forced to convoke the branches of the state to a meeting to prevent the situation from getting out of control. As the Liberal Party has said, this could cause confusion in other sectors as well. Tomorrow's meeting is expected to prevent a confrontation and produce harmony.

Foreign Minister Urges Strengthening of OAS

PA0206035691 Tegucigalpa EL HERALDO
in Spanish 31 May 91 p 47

[Text] Foreign Minister Mario Carias Zapata reported on 30 May that Honduras will participate in the 2 June OAS General Assembly and will ask that the secretary general's powers be reinforced to aid his struggle to find immediate solutions to the problems of the hemisphere.

The OAS General Assembly will meet in Santiago, Chile, with participants from the region.

The effectiveness of the OAS, when intervening in the search for solutions to the conflicts that have risen in the region, has been criticized at several Latin American forums because it lacks adequate cohesive means to impose sanctions upon a given country.

In this respect, Carias Zapata mentioned the specific case of Panama where the OAS was unable to act swiftly and effectively. He pointed out that the organization needs to be revamped as an institution and should become more involved in technical assistance programs and in the economic and social development of its member countries.

Carias Zapata confirmed that the Honduran delegation, which he will head, has instructions to strengthen the actions and the political and diplomatic powers of the secretary general, a position now held by Brazilian Joao Baena Soares.

He also said that the OAS is facing budget problems and that Honduras will, therefore, request that this matter be renewed in an attempt to obtain more effective support for the organization and for the benefit of its members.

The minister added that Costa Rica will soon call a second meeting of the Central American foreign ministers to prepare the agenda for the presidential summit to be held in San Salvador on 16 and 17 July 1991. The first preparatory meeting, scheduled for 25 May in Guatemala, was not held.

Carias said that he does not believe that migration problems, free transit throughout the region, and the elimination of visas should be discussed at the presidential summit, because he believes that these issues "are not yet ready for discussion."

* Workers Fired for Joining Labor Union

91CA0134C San Pedro Sula TIEMPO in Spanish
19 Apr 91 p 30

[Text] A business located in this city put more than 50 workers, the majority of them women, out in the street yesterday when management learned that they had joined a union.

Those dismissed had worked for Marssol Internacional, SACV [expansion not given], for more than two years, and on being dismissed, they were deprived of all of the rights set forth in the Labor Code.

One of the women said that Arnaldo Gabriel Solis Cordova, general manager of the business, has committed an irregular act, because all of the individuals dismissed were already members of the Garment Workers' Trade Union.

She explained that they sought union membership because at Marssol Internacional, the employees do piecework, labor conditions are very bad, and their wages are miserable.

Prior to their dismissal, the employees asked the Ministry of Labor to step in and review the payroll records in order to corroborate the low wages paid them.

"The labor inspectors have come to the enterprise numerous times, but Solis Cordova would not let them in," another of the individuals dismissed, who would not give his name, said.

In the letter effecting the dismissals, the enterprise referred to a reorganization of the plant, in which connection it based its action on Articles 116, 118, 119, and 120 of the Labor Code. The payment of compensation to each individual dismissed was also promised.

However, those dismissed, including some pregnant women, maintain that the compensation promised represents only the money they have earned doing piecework, ranging between 40 and 70 lempiras per week.

However, they are not seeking any monetary compensation, but rather reinstatement in their jobs, in which connection they will ask the union to which they belong for assistance.

They also deny that their dismissal had anything to do with a company reorganization, "because hundreds of individuals were hired to replace us," Hilda Oviedo, a pregnant woman who is one of the employees dismissed, said.

The Trade Union Federation of National Workers of Honduras (Fesitrnh), for its part, has promised the 58 individuals who were fired that it will wage a campaign for

their reinstatement based on the laws which protect the workers' freedom to organize.

* CNTC Leader Warns of Massive Land Seizures

91CA0134B San Pedro Sula TIEMPO in Spanish
22 Apr 91 p 2

[Text] Tegucigalpa—Rafael Alegria, national and international relations secretary of the National Rural Workers Union (CNTC), has said that the repression being exercised against the peasants, and the policy of the "government of change" designed to keep the agrarian reform process at a standstill, will force the peasants to effect mass recovery of the land next May.

This leader said that in this year alone, 300 CNTC farm laborers have been arrested and held without subsequent trial, 83 have been arrested and have had trials initiated in various courts throughout the country, three have been murdered, and five have been subjected to cruel torture.

He said that the violence against rural workers has been further intensified in parts of Comayagua, specifically on the National Corporation for Investment (Conadin) lands.

Alegria said that the evictions in Comayagua have included 11 in Azacualpa, 12 in Santa Barbara, six in Puerto Cortes, and one in Francisco Morazan.

"It is a fact that the repression is a tacit indication that the nationalist government does not want to carry out agrarian reform, and therefore, we are going to provide the response this attitude merits," he said.

He reported that at the present time, there are 300,000 families nationally who do not have even a little scrap of land on which to be buried.

He added that the wave of repression of which the rural workers are the victims is a part of the privatization policy of the government, which has no interest in cooperative or social enterprise.

Alegria stressed that his organization will try to reactivate the process of agrarian reform by civilized methods, but he said that if this resource is exhausted, with negative results, that organization will claim the right to proceed to recover the land.

* Growing Poverty Amidst Vast Natural Resources

91CA0134A Tegucigalpa LA TRIBUNA in Spanish
22 Apr 91 p 7

[Article by Ramon W. Nuila: "Honduras, Rich in Resources, Has a Poor Population Majority"]

[Text] Today, 22 April, which is World Earth Day, we are presenting this article in order to make a contribution to awareness of the urgent need to reconcile the needs of development and those of the environment in Honduras.

The fact that the majority of the countries in Latin America, like Honduras, have foreign debts in the millions, is worrisome. Apart from being unrepayable, these debts are based on loans of which almost 65 percent were to serve the purpose of promoting agricultural-industrial development.

But the money has been spent, and all that has been achieved is a level of agricultural development which falls far short of the planned goals.

To demonstrate the above, an analysis of what the Honduran land, and all of the other resources in connection with it, had produced by the end of the 1970s, in comparison with what had been achieved by the end of the 1980's, will suffice. Such an analysis is offered below.

In addition, we relate this analysis to the daily more critical ecological and environmental situation which our country is experiencing.

There can be no doubt that the existing Honduran land resources are adequate for the present needs of the population, and for at least another half a century. There are more than 5 million manzanas of land, of which about 684,000 are currently being used for seasonal crops and 521,000 are planted to permanent crops, while more than 2 million are covered by natural or cultivated pastureland.

Hills and forests cover an area in excess of 1.5 million manzanas, while there are 68,000 manzanas which are not suited for farm activities, and about 37,000 which are allowed to lie fallow every year. There are currently more than 325,750 farms, ranches, and other types of agroindustrial operations engaged in various farm activities.

The exemplary suitability of our land for agroforestry uses is well known. This is reflected in the existence of more than 7 million hectares of forested land. Of this total, woods of latifoliate species account for more than 2 million and mangrove swamps cover 277,000 hectares, while woods composed of wide-leaf species exceed 2.5 million hectares. Pine forests cover an area of 2.4 million hectares, of which a million are in full commercial exploitation, while young forests not yet officially available for cutting cover more than 1.3 million hectares.

The deforested wooded areas and those where the deforestation process is under way come to a worrisome total of 2.4 million hectares, representing 34 percent of the total area of pine forests suited to forestry uses.

There are also other types of land and areas in the country such as the urban sectors, river channels, lakes, etc., covering a total of 3.55 million hectares. In all, the total area of our Honduran land is 11,209 million hectares.

Water, which closely linked with the land for developmental purposes, is another vital resource, and one of which our country also enjoys a natural abundance. In this connection, Honduras has 400,000 hectares of irrigable land, thanks to its two great watersheds.

The first, fed by 13 abundant rivers on the Atlantic slopes, which cover an irrigable area of 340,000 hectares, benefits about 92,000 sq km. The Pacific watershed, with its five rivers, for its part, covers an irrigable area of 60,000 hectares, supplying water to about 19,800 sq km.

This means, then, that of the total Honduran area of 112,088 sq km, more than 44,000 can benefit from the abundant existing water sources. It is also interesting to understand the system of land ownership for the total of 5,201,580 manzanas of land in the country. In this connection, 4,409,730 manzanas are legally privately owned, while 304,250 are nationally owned and 213,590 are common land.

Also, 125,980 manzanas are leased out, 218,120 are occupied by peasant or private groups, and 70,190 are being used by unidentified parties who neither own nor rent the land.

The structure of the land allocated for farm production includes a majority of owners—78.35 percent, representing 255,312 operations—who own 16.74 percent of the land, or 604,683.61 hectares. This group is made up of owners of farms ranging from less than 1 hectare in area up to 10 hectares.

At the other extreme, there is a minority of owners—65, representing 0.02 percent of the total—who own large properties averaging 4,400 hectares. All of these large landowners together control 7.96 percent of the land in the country, i.e., 287,531.75 hectares.

Between the two extremes, there is a group of small and average owners. In the small category, there are 69,721 farms, representing 21 percent of the national total. They average 31 hectares in area, and total 2,212,116 hectares in all.

The average producers, for their part, have 651 farms (0.2 percent of the national total), which average 780 hectares in area. The farms of these producers cover an area of 507,876 hectares, representing 14.6 percent of the national total.

It is also interesting to note how much of the Honduran land area is allocated to crops for food or agroindustrial consumption. In this connection, there has been an variable trend in the past 30 years.

For example, corn, bean, and rice crops covered a total of 569,033 manzanas in 1970, while that total was down to 455,461 manzanas by 1980, and up again to 660,378 by 1989.

The area allocated for growing export crops (coffee, bananas, African palm, and sugarcane, for example), for its part, was characterized by some increases in this same period. Thus in 1970, 207,757 manzanas were allocated for such crops, while by 1980 the total was 284,965, and by the year 1989, it had reached 324,023 manzanas.

The production achieved for these two types of crops in the same period, for its part, shows that better yields and

more progress in production characterized the export sector, while for the crops serving as basic foodstuffs, both production and yields dropped or remained stable.

In 1970, for example, the production of basic grains came to 9.162 million quintals, representing an average of 16 quintals per manzana. The production total in 1980 came to 9.34 million quintals, with a yield of 20 quintals per manzana, and in 1989 production came to 13.736 million quintals, while yields, or productivity, still averaged 20 quintals per manzana.

Meanwhile, where export crops were concerned, a production total of 52.851 million quintals was achieved in 1970, with an average yield of 254 quintals per manzana. In 1980, production came to 90.817 million quintals, with an average yield of 318 quintals per manzana. And, finally, production in 1989 totaled 91.033 million quintals, with an average of 280 quintals per manzana.

In addition, the production of meat (beef, pork, goat, and chicken), eggs, and milk showed notable growth in this period. Thus we see that the production of meat in our country in 1970 came to 131,584,250 pounds. By 1980 the total had increased to 167,302,380, while in 1989 it reached the level of 252,499,800 pounds.

The production of eggs came to 200,187 units in 1970. The figure was up to 453,755 in 1980, and to 620,988 in 1989.

An increase was also seen in milk production, as evidenced by the fact that production came to 177,776 liters in 1970, to 224,113 liters in 1980, and to 316,851 liters in 1989.

Mineral resources, which are also linked with the land, have also experienced a substantial production increase, destined basically for export.

In this connection, the figures show that 66,266,800 pounds of silver, lead, and zinc were exported in 1970, while the exports of these three minerals came to 91,287 million pounds in 1989.

Something similar occurred with shrimp production, which increased from 3,269,508 kg in 1978 to 4,224 million kg in 1989.

The above figures indicating the development for the main products of the Honduran land, as well as their use, ownership, distribution, and nature, will perhaps suffice to show that Honduras has adequate resources. But if we relate all of these data to the nutritional and ecological situation being experienced by the majority of the citizens of Honduras, the following question arises. Is all of this wealth being generated by the Honduran land effectively enabling the population of this country to live better?

Our resources are adequate, but they must be better managed and distributed, so as to ensure that more of us in Honduras will live better and longer.

The destruction of our forests, due both to forest fires and to irrational exploitation; the inadequate management of the water potential of our rivers; the dramatic change in the weather, with a trend toward temperatures of a desert type, being experienced by many parts of the country; and the merciless destruction of the main ecological preserve areas we do have—these and other factors tell us of the need to ensure better ecological management of the resources of our Honduran land.

The indices of poverty, hunger, and malnutrition show us that better distribution of these resources among all the citizens of Honduras is also necessary.

The development of the Honduran land can be achieved along with the better distribution of its resources, as well as the protection of its environment.

The Latin American and Caribbean Environmental and Development Commission, in "Our Own Agenda," recently released, appeals to all of the peoples and governments in the area to make an effort to reconcile the demands of continued development with those of the environment.

According to the views of this commission, which is sponsored by the UNDP [UN Development Program] and the Inter-American Development Bank (IDB), this goal can only be achieved through a reduction in the foreign debt, support of development, and the transfer of ecologically clean technologies by the industrialized countries, as well as the adoption of reforms in the region which will promote redistribution of the income and the battle against poverty.

This body, in cooperation with the Economic Commission for Latin America (ECLA) and the UN Program for the Environment (PNUMA), is also participating in the preparations for the debate on the environment and development at the conference on these issues to be held in Brazil next year.

The appeal calls for politicians, scientists, leaders, and the population in general to make the necessary changes, in order to launch sustained development which will include the elimination of poverty, the proper use of natural resources, the organization of the territory, technological development consistent with our social and natural realities, a new economic and social strategy, social organization and mobilization, and state reform.

There could be no better opportunity than World Earth Day for us in Honduras to reflect on and undertake actions in this sector which is of such great importance to our lives and that of our fatherland.

* Capital's Basic Food Prices Increase

91CA0134F San Pedro Sula TIEMPO in Spanish
29 Apr 91 p 40

[Text] Tegucigalpa—The cost of a can of powdered milk in Tegucigalpa has increased to almost 50 lempiras, and even higher prices prevail in villages in the interior of the

country. This comes as a part of the general rise in the cost of basic consumer products, which is aggravating the situation of poverty and malnutrition being experienced by the population of Honduras.

In a survey of some supermarkets and grocery stores in the capital, TIEMPO confirmed that a can of milk weighing two kg costs a minimum of 42.15 lempiras, and up to 49.8 lempiras, depending on the brand. This represents 17 percent of the minimum wage for a worker who earns between 10 and 11 lempiras per day.

In the capital and in other cities, the minimum wage for a worker is 323 lempiras, but in the interior of the country, the income of a day laborer is less. This, in practice, makes the purchase of powdered milk for their children prohibitive for them, if they want to survive.

A can of Coast and Milex milk weighing two kg costs 42.15 lempiras—the lowest amount—at the supermarkets, while Klim costs 43.4 lempiras, Anchor 43.5, Ceteco 47.20, and the Nido brand 49.8 lempiras.

The two-kg size of these brands of milk cost between 15.45 and 19 lempiras a little more than a year ago, but beginning with the monetary devaluation in April of 1990, the prices began to rise quickly.

UNICEF figures indicate that 75 percent of the children under five years of age in Honduras are suffering from malnutrition due to insufficient basic foodstuffs, while seven out of every 10 individuals in the overall population are living in poverty.

This same organization stated, in a document dealing with the situation of women and children in Honduras, that the picture has been aggravated by the economic adjustment measures implemented by the government of Rafael Callejas.

The government imposed the plan in April of 1990. It included a devaluation which has now reached 165 percent; raised the cost of fuels; liberated bank interest rates; increased the cost of water, light, and telephone services; and increased import taxes through the application of the so-called customs valuation factor and the tax on sales.

The effects of these measures have been reflected in such basic consumer products as beans, corn, rice, eggs, and even meat. The prices of these items have reached a point at which it is impossible for an individual earning the minimum wage to buy them.

The five pounds of beans popularly regarded as the standard measure cost 8 lempiras on Saturday at the Farm and Craft Fair in Tegucigalpa, although on the price list distributed by employees of the Ministry of Economy, the price was given as 7.5 lempiras.

At the markets and supermarkets in the settlements and slum quarters of the capital, this quantity of beans costs

between 8.5 and 10 lempiras. At the beginning of this year, the standard measure of beans could be bought for between 5 and 6 lempiras.

Corn is being sold in the markets at up to 3.8 lempiras, meaning that the cost of a pound is 76 centavos.

A standard measure of rice, which when it comes packaged is only four pounds, ranges between 8.5 and 10 lempiras, while an egg costs up to 50 centavos.

A can of oil costs 19.45 lempiras, and a liter of milk 2.2, but it is expected that the price for this product will be increased shortly because of the claim by the dairymen and processors that they are losing money at the current price.

The price of milk was liberated as a part of the economic liberalization policy sponsored by the government.

Meat, which has become wholly a privilege of the middle and upper classes, costs between 7.5 and 9 lempiras per pound at the markets.

The price situation for basic grains will become even more serious when the government eliminates the so-called guarantee prices and transfers the storage facilities of the Honduran Agricultural Marketing Institute (IHMA) to the private sector. In this process, the peasant leaders believe, they will pass into the hands of "coyotes."

* Coffee Crop Drops to 1.8 Million Quintales

91CA0134E San Pedro Sula TIEMPO in Spanish
22 Apr 91 p 11

[Text] The Honduran Association of Coffee Producers (Ahprocafe) has revealed that the present harvest will be smaller than that in 1989-1990. Wilfredo Castellanos, the president of the Ahprocafe, stated that the last harvest came to 2.5 million quintals, while the 1990-1991 harvest will total only 1.8 million quintals, representing a decline of 700,000 quintals. Castellanos said that coffee production has declined as a result of the Economic Structural Organization Law imposed by President Rafael Leonardo Callejas in response to the demands of the International Monetary Fund, the World Bank, and the International Agency for Development.

This leader of the Honduran coffee producers said that the growers have been unable to fertilize their fields because the prices of the necessary chemicals have risen exorbitantly due to the foreign exchange and fiscal measures imposed by the government. He explained that a large percentage of the 245,000 manzanas planted to coffee in the country was not fertilized. This situation was reflected in the decline of 700,000 quintals in this harvest.

Castellanos criticized the government for failing to take into account the fact that there are more than 750,000

citizens in Honduras who depend directly on the production and marketing of these beans, and that the coffee sector is one which is entirely in the hands of Honduran citizens.

The president of the Ahprocafe said that the government must study the possible alternative ways of enabling the producers to fertilize their fields. The immediate option, he specified, is for the government to subsidize the price of the necessary chemicals. However, second and better option would be for the producers to have their own organic fertilizer plant, with the support of the government, in order to protect the environment from contamination by agrochemicals.

Fernando Montes, an adviser to the Honduran Coffee Institute (Ihcafe), said that it is still too early to say how many quintals this harvest will produce. However, he confirmed what Castellanos said about the 1990-1991 harvest being smaller than that in 1989-1990.

Montes noted that the preceding harvest was marketed at \$78 per quintal, and he said that the coffee from this harvest will be sold on the international market at an additional \$4 per quintal.

The Ihcafe adviser also confirmed that the reason for the decline in this harvest was the lack of adequate fertilization.

Montes explained that the fields were not fertilized, first of all, because there were no fertilizers on the market, and secondly, because the producers did not have liquid assets with which to buy these products.

In conclusion, he explained that the replacement of the Export Certificates with Foreign Exchange Options (CETRA's) by the Interbank Market affected the coffee producers, because they had sold their coffee at the CETRA price of 3.4 lempiras, while at the time their fields needed fertilizing, the Interbank rate of 5.3 lempiras was in effect.

* Melons Replace Sugarcane as Cash Crop

91CA0134D San Pedro Sula TIEMPO in Spanish
29 Apr 91 p 9

[Text] Tegucigalpa—The country might be faced with a new sugar shortage, because the cane producers want to engage in the raising of other crops. Maria Consuela Rodriguez, a former nationalist deputy from Choluteca, believes.

Rodriguez said that the independent sugarcane growers are incurring losses in connection with their production costs, because the sugar mills are paying them a very low price per ton of cane.

She added that the cane growers in the department of Choluteca want to turn to the planting of melons, because this would be more profitable for them than producing sugarcane, and they have reached agreement with a North American company which is interested in buying melons from them.

In order to be able to survive as cane growers, the independent producers have obtained loans from the National Agricultural Development Bank (Banadesa), but they are on the point of losing their land, and this is the reason they feel obliged to plant melons.

The sugar mills, this former deputy says, are looking for a way to force the independent producers to continue raising sugarcane, because they fear a shortage. However, they are not offering a better price.

She said that a study made by the Federation of Independent Cane Growers shows that the production cost per quintal of sugar for the mills is between 19.5 and 20 lempiras, while they sell the product to merchants at 72.5 lempiras, paying the growers only 50 lempiras per ton of cane.

Nicaragua

Assembly President Views Presidential Decree

PA0106014191 Managua BARRICADA in Spanish
30 May 91 p 5

[Report by Roberto Larios]

[Text] National Assembly President Alfredo Cesar said during a news conference yesterday that private property rights will not be restored through the indemnification of the former owners.

"The actual return of property is needed to restore such rights," said Cesar, who added that he "agrees that indemnifications should take place when land is in the hands of peasants and houses are in the hands of residents [pobladores], but not in all cases."

Cesar made a veiled criticism of Decree 23-91, which was issued on 24 May by the president of the Republic. It states that the resolutions of the Revisory Commission cannot affect the rights of third parties and that the former owners will be indemnified if the properties involved are currently occupied, which applies to most cases.

Five days after this decree was issued, Cesar said, "I have not yet read it." Also, despite its clarity, he said that Presidency Minister Antonio Lacayo "will be asked (today) what the scope of that decree is; he will be asked what he really means, so as to ensure that we have a clear understanding of it."

Yesterday the Assembly president continued to defend the conservative project to repeal Laws 85 and 86—which has been criticized by the executive branch—by arguing that its promoters "do not believe that this project will lead to the eviction of low-income people."

Cesar confirmed that this project is still on the legislative agenda, but pointed out that it will not be discussed at its 4 June plenary session, as Assembly Vice President Luis Sanchez recently announced.

"Those who have documents showing that they are the owners of their houses and peasants who hold land title deeds can remain calm because there is no intention of harming them," Cesar added.

A day earlier, however, Gustavo Tablada, minister of INRA [Nicaraguan Agrarian Reform Institute], had told the Property Commission—headed by Cesar—that most peasants who had benefited by the agrarian reform have no title deeds.

The same applies to house titles that have not been distributed by the Mayor's Office because of Mayor Arnoldo Aleman's vengeful attitude.

Cesar said that the Property Commission "is looking for overall solutions that cannot move toward the two extremes, but it should get as close as possible to a consensus."

In this regard he maintained that the decisions of the Property Commission "will neither affect the beneficiaries of the agrarian reform nor neighborhood residents."

Citing official figures released by INRA indicating that two-thirds of the land distributed between 25 February and 25 April of last year were given to individuals, Cesar added: "We cannot adopt the extreme of not correcting abuses either."

The presidency minister will appear today before the National Assembly's special Property Commission, which started to work on 28 May with the integration of the FSLN [Sandinist National Liberation Front] representative.

National Assembly President Alfredo Cesar said yesterday that the legislative branch could eventually replace the concerted effort forum should agreements on the property issue not be reached.

Mexican Ambassador Recalled by Government

PA3105143491 Managua Radio Ya in Spanish
1200 GMT 30 May 91

[Text] The Mexican Foreign Relations Secretariat has told Mexican Ambassador Ricardo Galan to mind his own business or he will find himself in hot water. The report issued by the Foreign Relations Secretariat of the Salinas de Gortari government warns the Mexican ambassador to Nicaragua not to interfere in Nicaragua's internal affairs.

Ricardo Galan has made statements in favor of Jaime Morales Carazo, a former Somozist financier and contra leader, about the claim filed for the house where Commander of the Revolution Daniel Ortega lives. Galan practically gave the Nicaraguan Government an ultimatum regarding Jaime Morales Carazo's house.

The Foreign Secretariat's note adds that Ambassador Galan must refrain from meddling in matters that do not concern him, otherwise he could find himself singing

"Off To Broadway." Ambassador Galan has been recalled by his government in order to explain the reasons for his actions.

CIAV Member Denies Supporting Former Contras

PA0106005891 Managua Radio Nicaragua Network
in Spanish 1340 GMT 30 May 91

[Text] Dr. Santiago Murray, coordinator general of the CIAV [International Support and Verification Commission], has denied that his organization is supporting former contras, who have again taken up arms in Jinotega and Region I.

Murray pointed out that, by request of these former contras, he recently visited the conflict areas and, once there, tried to persuade them to change their attitude.

Murray added that he also urged top government officials to find ways to prevent the conflict from worsening. The CIAV official believes that scattered groups totalling about 250 people are currently operating in various sectors.

[Begin Murray recording] The CIAV, as a responsible party in the disarmament and demobilization of the Nicaraguan Resistance, has played a very important role. We follow up and verify that the rights of the individuals who demobilized are respected. In this capacity, to a certain extent, we are officials who must ensure that the rights of former resistance members are protected.

It was also in this capacity that I travelled to the mountains some days ago, at the request of a group that has rearmed, to meet with them and persuade them to change their attitude. We have by no means promoted this situation. Quite the contrary, we have urged them to reconsider, and we offer our good offices as mediators with the government authorities should they need us in that capacity. [end recording]

Panama

Government Agreement With World Bank Outlined

PA0106001591 Panama City EL DIARIO
INDEPENDIENTE in Spanish 29 May 91 p 3

["Agreement in Principle" between the Panamanian Government and the World Bank signed by Second Vice President Guillermo Ford, minister of planning and economic policy, on 15 May]

[Text] Program for the Modernization of the Economy Adopted by the Panamanian Government:

In order to develop its national productive capacity, the Panamanian Government has initiated a process of deep transformation of the economic framework inherited from the past through actions that will be upheld in the values of a free, just, united, and participative society.

The creation of new jobs and the increase of wages, especially those of the lower classes, requires new economic policies that are integrated into a coherent program of modernization and economic development.

The general aspects of the economic program which will shape the measures of the central government and decentralized sector institutions in the following 18 months are as follows:

I. Technical Unity

The Panamanian Government, taking into account the complexity in the planning and implementation of the recovery program, has established a technical group within the Ministry of Planning and Economic Policy to coordinate and follow up the measures contemplated in the program. This coordinating unit will respond directly to the National Economic Council (CENA).

II. Commercial Policy

The government will implement an economic liberalization program aimed at increasing the degree of efficiency, re-orienting production toward exports, giving more flexibility to the production system, and increasing the number of jobs.

In order to achieve these objectives, measures will be taken to decrease the levels of industrial protection and to make tariff prices more uniform.

The government's agreement is:

1. Eliminate the use of special tariffs during the program period (the government will receive technical assistance), and reduce the maximum rates to 60 percent (industrial) and 90 percent (agro-industrial) before the presentation of the program to the Board of Directors of the World Bank.

2. The reduction program will continue until it reaches 40 percent (industrial) and 50 percent (agro-industrial) before the third disbursement (1 January 1993).

In exceptional cases in which industries and/or agro-industries can prove negative effects as a result of the decrease in protection, the Ministry of Commerce and Industries (MICI) will be authorized to take the necessary corrective measures.

3. During the period of the program, price controls on products free of quantitative restrictions will be eliminated directly or through their raw materials.

4. There will be no quantitative restrictions over industrial and agro-industrial products in general, except in cases associated with the liberalization of the agricultural sector.

5. The government will maintain the protection tariffs for new industrial and agro-industrial products at 20 and 30 percent, respectively.

6. The import tax for raw materials and capital goods used in industry will be three percent. This tariff will be the lowest import tax in the Panamanian customs system.

7. The government, with the technical assistance of the World Bank, will define a liberalization program for the agricultural sector that will be defined by product. A schedule will be implemented during the program to eliminate the quantitative restrictions, establishing customs tariffs and eliminating price controls.

Complementary measures to ease the implementation of the program will also be defined, including compensation mechanisms for affected products.

8. During the period of the program, the Price Control Office will become a Consumer Protection Office.

III. Labor Policy

The government will introduce measures aimed at decreasing the high level of unemployment. For this purpose, it will promote a broad national dialogue with the employer and worker sectors so that the labor measures included in the Guidelines for the Modernization of the Economy may be adopted, and so that the minimum wage currently under study may enter into effect once the program has advanced, in accordance with the economic recuperation objectives included in this program.

In this respect, the following has been approved:

1. A new law with more flexible standards on labor issues for the new firms that will be established in the Export Multisector Zones.

2. The postponement of the obligation to negotiate collective bargaining agreements, which expires in 1991 and 1992, leaving the parties at liberty to choose the suspension or the negotiation of collective bargaining agreements.

3. The authority of the Labor Ministry to introduce arbitration in case of unresolved conflicts between the parties.

4. The granting of three (3) initial years of operation to the companies, free of the obligation to negotiate collective bargaining agreements.

5. The review of norms related to labor regulations and others in the recently issued law.

IV. Public Enterprises

The government will implement a public services reform program, defined through specific measures for IRHE [Institute for Hydraulic Resources and Electrification], IDAAN [National Water and Sanitation Institute], INTEL [National Telecommunications Institute], and APN [National Port Authority].

The program includes the following aspects:

1. Program to strengthen the institutions of IRHE and IDAAN, which will have the following objectives:

- a. Decrease technical losses
- b. Increase technical efficiency
- c. Reduce costs and transfer this reduction to the consumer through a rate decrease, without harming the financial position of these enterprises. The goal of this process will be to establish price efficiency.

Likewise, contracts will be made with the private sector for the supply of non-basic services of the two agencies. The purchase and bidding systems will be revised to render them more efficient.

The government will continue with the process to solve the financial problems of these agencies.

2. Concessions and licenses will be granted for cargo handling operations, to achieve a higher efficiency at the ports of Balboa and Cristobal.

Measures will be adopted to attract private investments in the development of the new port installations.

The APN will be reorganized and adapted to the new program.

3. The telecommunications sector will be reorganized through the following:

- a. A new telecommunications law will be issued to introduce competition in the sector and to define the framework for its regulation by the state.
- b. A process will be started for reconversion of INTEL to a mixed enterprise, with mechanisms that will allow the participation of shareholders' capital, including the workers.

V. Financial Public Sector

A program will be prepared to reorganize the financial public sector, so as to provide:

- a. Options for the transformation of the National Mortgage Bank and the Agricultural Development Bank, once the portfolios of these institutions are put on a sound basis.
- b. A continuation of the process to improve the financial position of the National Bank of Panama and the Savings Fund. The government has already carried out many actions within this context and is preparing a plan to continue the process.
- c. A continuation of the efforts to strengthen the National Banking Commission inspection and supervisory tasks, through careful measures that are carried out within a legally established framework.

VI. Privatization

1. The government will present a bill at the Legislative Assembly to implement a privatization program.

2. The program will be controlled by the CENA. International firms will be hired to prepare the documents and the process to sell the enterprises that will be privatized.

3. The government has prepared a list of enterprises and activities that will be privatized.

For the purpose of evaluating the degree of progress achieved by the program, the sale of the assets and properties of the state will also be taken into consideration.

The transfer of installations and basic services from state-owned enterprises to the private sector will be considered part of the program. In addition, the government has adopted the policy that, whenever possible, future expansions of the public enterprises' capabilities will be carried out by the private sector.

VII. Current Expenditures

The government will gradually change the public expenses structure by increasing investment costs and reducing current expenditures.

Measures are currently being implemented to reduce the personal services expenditures. The following has been achieved to date:

- a. A net reduction of 8,400 employees until March 1991, which represents 6 percent of the positions existing in December 1989.
- b. A 10-percent reduction of the salary established for each position. The reduction is effective whenever a replacement occurs.
- c. Entertainment allowances have been eliminated in many posts. In others, these allowances became part of the salary so they would yield income taxes and contributions to the Social Security Board.
- d. Jobs for a total of \$14.6 million on the government payroll have been frozen; of these, 8.1 [not further specified] represented new posts.
- e. The suspension of the 13th month bonus payment has been maintained.

The process will continue so that the program may eventually achieve a 10-percent reduction in the personal services expenses, compared with 1990, as follows:

1. All the vacancies existing as of 31 May 1989 will be frozen.
2. Employees will be transferred to the private sector through the privatization program.
3. Vacancies resulting from retirement, resignations, and other causes will not be filled with new employees except in cases that, in the executive branch's opinion, are considered essential. Some agencies will not be included within this concept by virtue of their nature and current laws.

To achieve this goal, officials may be relocated within the same agency or transferred to other agencies.

VIII. Public Outlays Program

The government will dedicate more public resources to priority areas, particularly the repair and maintenance of the economic and social infrastructure.

IX. Social Sector

The government has devised a strategy to curb poverty in Panama. This is to say, it has outlined priority programs and projects for the social sector. A major portion of this program is aimed at solving nutritional and health problems. The government will continue to include the social sector in the country's budget during the duration of the program.

X. Tax Reform

The government will present to the Legislative Assembly a tax reform proposal that will include the following:

1. To stimulate local and foreign investments, the corporate income tax, which is as high as 50 percent, will be lowered by stages until a single top 35 percent rate is reached no later than 1994.

2. As of 1992, the personal income tax will be adjusted as follows:

a. The system will be simplified by cutting in half the current 20 taxable income divisions.

b. The highest income tax rate will be reduced to 35 percent.

c. For reasons of equity, the minimum non-taxable salary and the personal deductions for the taxpayer and his dependents will be increased.

To make up for the loss of revenue, a new 10-percent tax on luxury services has been established and the additional revenue from the 3-percent tax on imports of industrial raw materials will be taken into consideration.

XI. The Social Security Fund

The government has presented to the Legislative Assembly a proposal to adjust the pensions system, which includes the following:

1. Elimination of early retirement.

2. Retirement not earlier than 60 years of age for both sexes. For women, the gap between the current retirement age of 55 and the proposed retirement age of 60 will be reduced gradually.

3. Modification of the formula used for computing pensions.

4. Change in the structure determining the percentage of contributions.

5. Restrictions in the requirements to become a beneficiary.

6. Inclusion of certain concepts, thus far excluded, in the definition of salary for purposes of computing contributions.

All of these factors will eliminate the cash deficit from the pensions program in the next 10 years.

The government is determined to increase the revenue from the use of the Social Security Fund reserve through professional and careful management.

The reforms package includes the following:

a. The interest rate on loans granted by the fund will not be lower than that charged by the National Bank.

b. The fund is authorized to make deposits, not only in the National Bank, but in the National Savings Bank as well.

c. The fund will be authorized to purchase mortgages on houses owned by members.

The government will initiate a study on the health integrated system so the Social Security Fund and the Health Ministry can each meet their own expenses.

[Signed] Guillermo A. Ford B., minister for planning and economic policy.

15 May 1991

Ministry Issues Communiqué

PA0106004291 Panama City LA ESTRELLA DE PANAMA in Spanish 29 May 91 pp 1, A-2, B-10

[Communiqué issued by the Planning and Economic Policy Ministry, Mippe, in Panama City on 28 May]

[Text] The publication in newspapers of the agreement in principle between the Panamanian Government and the World Bank has prompted various statements and publications, some of which merit clarification.

Therefore, the Mippe wishes to make the following clarifications to the public:

1. The document signed by the minister, with the authorization of the cabinet council, contains all agreements in principle pertaining to Panama's economic program that need to be reached with the World Bank, which is the institution that would issue a favorable report about our country before the international financial community that would solve the problem of our multilateral foreign debt. This includes the possibility that we receive donations to pay off our arrears.

2. In this regard the agreement in principle does not include other complementary actions that are part of the government program, but it does most clearly indicate what is the framework for government action.

There are no "under the table" agreements or commitments to be implemented after the conclusion of the program that will be in effect for the next 18 months (until late 1992).

3. The government believes that the economy must grow quickly to allow it to meet social needs through the creation of new jobs. This vigorous growth will not be achieved through the public sector or production targeted for the local market. Services and the rest of industrial and agricultural products make up 75 percent of our GNP. The latter two offer greater potential in the creation of jobs. The idea is to find areas in the international market where we can place a greater amount of our domestic production of industrial and agricultural products. In order to achieve this, products that are competitive in quality and price must be produced by these sectors. Panama has a great development potential in the production of agricultural and industrial products.

4. Private investment is the result of economically advisable estimates: Tariffs are economic policy instruments that encourage producers to change the structure of production costs to stay in the market. [sentence as published] The industrial protection that the government has offered limits production in the domestic market. Industry has stalemated while in the first phase of import substitution and has not fully developed subsequent phases.

These policies have resulted in high prices for the lower classes and high costs for inputs needed for the transformation phase, which comes later, and this leads to a lack of growth in our national industry.

In fact, this sector has shown no growth in the past decade.

5. The government has realized that its own activity has a bearing on the high cost of domestic production. As a result, it has announced profound changes through the privatization of public companies and a rationalization of all its activities to change its role and become a state that promotes private economic activity. In this regard, it has already announced a reduction in electricity rates and a program to privatize certain companies and increase the efficiency of others that will remain in state hands. The government's withdrawal from the activities that the private sector is able to carry out with greater dynamism and efficiency will lead to the concentration of government efforts and resources in social programs and the maintenance and expansion of the economic infrastructure.

Some important aspects include education programs to ensure that poor Panamanians become productive and stop waiting for a paternalistic gesture from the state that would prevent them from improving their situation.

6. It is recognized that most of the economic program will show its effects in the medium term and that certain groups require immediate efforts. In this regard, the Mippe has drafted a strategy to reduce poverty that

includes specific programs for this purpose. There has been progress in the area of nutrition; food has already been sent to schools in critical districts. The Social Emergency Fund is another instrument that the national government has implemented to create new jobs and revenues and establish the necessary infrastructure to upgrade the standard of living of Panamanians in low-income areas.

7. There exists—and the government admits to this—a problem with the distribution of income in the country. This will change to the extent that technical and financial aid is given to small- and medium-size companies in order to allow a larger group of Panamanians to participate in the production system. Moreover, there will be progress to the extent that there are more job opportunities as our economy opens up.

Among the immediate actions that the state has already implemented is a change in the tax system through the exoneration of low-income Panamanians from the payment of income tax.

8. It is also important that the Panamanian people know about the progress achieved in other areas that are part of the government's economic program, but not matters of discussion with the international financial institutions.

As for the use of reverted areas, the national government has hired the services of the National Research Institute (Iden) to define the parameters that should be considered in the drafting of an overall development plan for the Canal area.

Law 1 of 1991, which regulates the use, disposal, conservation, and development of assets in the Canal area, was approved.

As for the civil service system, which is an instrument that helps improve personnel administration in the public sector, a proposal has already been submitted to the executive branch by a commission created for that purpose.

In the transport area there is a commission, which is made up of state institutions and other groups, that is tasked with suggesting specific solutions.

9. Finally, we must admit that it will be difficult to implement the state's economic program without changes in certain legislation. These changes will demand a great effort, work, and dedication from the legislative branch, which will have the responsibility of issuing laws to strengthen the economy.

Endara, Arias Interviewed on Reconciliation

PA0306014991 Panama City Circuito RPC Radio in Spanish 1620 GMT 2 Jun 91

[Report on interviews with President Guillermo Endara and First Vice President Ricardo Arias Calderon by Julio Alfaro, following Eucharist at the Nuevo Panama Stadium in Panama City on 2 June]

[Text] The Eucharistic gathering ended a few minutes ago in the Nuevo Panama Stadium. Both President Guillermo Endara and First Vice President Ricardo Arias Calderon attended this event, making it only the second public appearance of the two leaders together since the Christian Democratic Party [PDC] left the government coalition on 8 April. In his homily, Monsignor Marcos Gregorio McGrath once again brought up the issue of reconciliation, as well as other important topics affecting the country's life. RPC Radio was able to obtain comments by President Endara and Vice President Arias Calderon. We are going to broadcast both interviews. Both leaders discussed such topics as the 13th month bonus and an executive decree concerning the Council for Public Security and National Defense [Conasepuden].

[Begin recording] [Endara] The church's petitions emerge from the mystical body of Christ, and I find it is very important to heed them. I will ask Msgr. McGrath for a copy of his homily because I want to study it in detail.

[Alfaro] Would you consider reconciliation with the PDC?

[Endara] I do not like to talk of reconciliation with the PDC because I believe I did not formally break with them. I continue to admire them as patriotic fighters. The only problem was that we could not understand each other in the government. That was all. I do not think we should talk of reconciliation.

[Alfaro] Msgr. McGrath, however, [words indistinct] national reconciliation?

[Endara] Of course, because Panamanians still harbor deep hatred. We must overcome these feelings of hatred and ill-feeling. We must someday overcome them and truly reconcile ourselves.

[Alfaro] Mr. President, what about the payment of the 13th month bonus? You are taking a long time in signing that bill.

[Endara] I am going to veto that bill for reasons I will explain at the appropriate time. You already know them, more or less.

[Alfaro] Has the idea of pardoning the political prisoners been considered?

[Endara] No, it has not.

[Alfaro] Why was the university bill approved so quickly?

[Endara] I supported it and therefore enacted it into law.

[Alfaro] A few days ago, you issued a decree regulating certain aspects of the Conasepuden's functioning? Why did you do that?

[Endara] There was just one article in one law which governed the Conasepuden. I wanted to regulate it to, most of all, make it clear what things that office should

not be involved with. It should not take anyone prisoner, summon anyone, bring somebody in to give a statement, or conduct any form of political espionage. I wanted to make a number of limits very clear so that it will not go beyond the president's instructions.

[Alfaro] The Legislative Assembly, however, has proposed an office parallel to yours.

[Endara] I do not think so. I am willing to take a look at that bill.

[Alfaro] What about the increase in meat prices?

[Endara] The increase is in its final stage. I received an agreement signed by all sides. I think the time has come to do something about it. The decision will be made sometime this week.

[Alfaro] Do you think the people are unhappy with the announcement regarding the price increase of oil derivatives?

[Endara] Keep in mind that the problem is the result of the price of oil being set abroad; we do not set the price here. Excuse me. [end recording]

Following those remarks, RPC Radio was also able to interview Vice President Arias Calderon on some of the topics discussed by President Endara.

[Begin recording] [Arias Calderon, in progress] very loud and clear. There is a need to respond to the social problems of the people, such as unemployment and poverty. Msgr. McGrath mentioned the need to administer justice in an efficient and swift manner. I believe he was speaking of the murder of Father Hector Gallego, although he undoubtedly was referring to all the other cases of grave human rights violations committed by the previous regime. I fully agree with those priorities because I think the people of Panama were speaking through the archbishop.

[Alfaro] The president issued an executive decree regulating the Conasepuden's functions. There seems to a bill parallel to this decree in the Legislative Assembly. What are your feelings on this?

[Arias Calderon] The existence of an executive decree does not preclude a law on the matter. They can mutually strengthen each other, and that would be beneficial for the country. As for the decree, I have not read the text and I do not like to comment on things I have not fully read.

[Alfaro] What can be done about the plight of the poor people mentioned by Msgr. McGrath moments ago?

[Arias Calderon] I believe that there are several things that can be done. The primary task is to create the conditions for employment. These conditions for employment cannot be created if we do not have a truly integrated development and modernization program that seeks the support of the country's most important economic groups, in both the labor and business sectors.

I believe that, and I have said this on previous occasions, we need specific plans for social compensation within the Planning Ministry's modernization program. We must also pay more attention to the Social Emergency Fund and direct more funds into it. This instrument was created at the beginning of the government so that it would solve the most urgent employment needs. In other words, what we truly need is a greater awareness of our society's needs and a commitment to lead all the efforts aimed at providing solutions for those in our country who have the least and suffer the most.

[Alfaro] Does the need for greater awareness refer to the government?

[Arias Calderon] It refers to the whole country, but it obviously refers to the constitutional ruling of the country. I believe that it is lacking there.

[Alfaro] Msgr. McGrath has again referred to the need for reconciliation. [Question indistinct]?

[Arias Calderon] Reconciliation with justice, not without justice. The reconciliation commission led by the archbishop clearly pointed to the need for reconciliation with justice, not without justice. This is one of the people's greatest demands. Justice should finally prevail, it should be effective, it should be quick, and it should inspire trust especially since there are currently important aspects of our justice system which, in fact, do not inspire trust. [end recording]

PA Vice President on Possibility of Alliance

PA0106010091 Panama City EL PANAMA AMERICA
in Spanish 31 May 91 p 1-A

[Report by Eduardo Soto]

[Excerpt] The possibility of a reconciliation between the Arnulfist Party [PA] and the Christian Democratic Party [PDC] and the beginning of a new stage of a joint government was discussed yesterday for the first time since the PDC was "expelled" from President Guillermo Endara's government.

Francisco Artola, vice president of the PA and a legislator for the Bocas del Toro Province, announced that there is a possibility that his party could "support" the actions of the PDC at the Legislative Assembly, as long as some conditions are met.

Artola, who announced there would be a "renovation" within the ranks of the PA after the upcoming party congress, said that if the PDC "acts in a more positive manner," more positive than it has been acting, then the ruling party faction at the Legislative Assembly could support its suggestions.

For the first time since the PDC's removal from the government, a high-ranking official within the government of Guillermo Endara has talked about the possibility of a new alliance with it.

When asked about a possible "reconsideration" on the part of the government in regard to the expulsion of the Christian Democrats, Artola said that being reinstated in their former government posts "will depend on them" (the Christian Democrats) because, according to Artola, they were the ones who wanted to get out. [passage omitted]

Argentina

U.S. Mideast Arms Control Initiative 'Welcomed'

PY3105190291 Buenos Aires Radio Nacional Network in Spanish 1600 GMT 31 May 91

[Text] There is satisfaction in Argentina regarding the Bush initiative. The Argentine Government has expressed its satisfaction with the U.S. President's arms control initiative for the Middle East.

The Foreign Ministry has said that the government welcomed this constructive initiative because it understands that the initiative can help curb the arms build-up in the region.

Official Views Situation in Government, Military

PY3105131291 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0115 GMT 31 May 91

[Text] Buenos Aires, 30 May (NA)—Colonel Mohamed Ali Seineldin, leader of the painted faces military men, has stressed that "we have not been defeated," noting that as long as there exists an Argentine "who loves his fatherland and is willing to give everything to defend it, then they will not defeat us."

Seineldin maintains that "it is possible that we failed in the attempt" to recover the Army in order to "bring it to the side of the people," and he emphasizes: "The consequences of our setback can be seen in the extension of the dependency that has emerged due to unemployment and starvation wages."

He further notes: "Our national assets are being unscrupulously abused; we are once again becoming dependent on the multinational enterprises. There is a 50-year lag in labor and social legislation; and we are returning to a merciless exploitation of the worker, a situation we thought had been overcome for good."

In an "open letter to the Argentine people" published in the nationalist monthly CONCIENCIA NACIONAL [National Conscience], which distributed its first issue today, Seineldin states: "Regrettably, I am sure that these events (of 3 December) have not been understood in their essence by the majority of Argentines, either due to the sparse information released by us or the distortions produced by the regime's media."

"We could say that the national Army, which I am circumstantially commanding, was born in the Malvinas," the painted faces leader maintains, stressing that "it was in the heat of that battle that a group of soldiers clearly predicted what our intuitions had told us: There is no defense policy if it does not fall within a framework which encompasses much more than the previous structure; this policy must be based on the unbreakable desire of the nation to be sovereign."

The colonel, who is being tried by the federal courts, states on this topic that "within the nation's decision to

be sovereign, to look after its moral, cultural, and material assets, and to exercise its free will to protect its inhabitants by giving them work and social security, the existence of the Armed Forces is a mere formality."

He says: "Why have a powerful Army if the government surrenders daily to the satisfied [as received] ambitions of the international plutocracy?"

Seineldin stresses: "Regrettably, the leadership of our Armed Forces has suffered the same wear and tear as the country's leaders." He adds that this is "why every day we see rich businessmen with bankrupt enterprises, rich labor leaders with workers who have descended to the subsistence level, and rich politicians with a majority of forgotten people."

"We have seen many of our generals negotiate their small sinecures with the political branch, while the Armed Forces suffered the shrewdest attack in their history, with the goal of dismantling the military and finally making it disappear."

The rebel colonel stresses: "We tried to prevent this on 3 December, we wanted to prevent the destruction of an institution that was born with the fatherland itself and which grew up in the heat of the battle to liberate the country. We wanted to restore the Army to bring it alongside the people within a national and popular project of liberation."

The leader of the military revolt, which resulted in some 20 deaths, denounces that "great and obscure interests, the same ones which have always prospered through exploitation and subjection, have always moved against us and continue to do so."

The note concludes with the slogan "God, fatherland, or death," stressing that "despite imprisonment and the lies, we will not surrender and we will not take down our flags." [Signed] Mohamed Ali Seineldin, colonel, Caseros Prison.

Grain Board Deplores U.S.-Brazil Rice Deal

PY3105190691 Buenos Aires Radio Nacional Network in Spanish 1600 GMT 31 May 91

[Text] In the wake of reports that Brazil will import grain rice subsidized by the United States, the National Grain Board has issued a communique deploring the initiative. The document, which is signed by Board Coordinator Roberto Bordoni, stresses that this kind of deal will harm countries which, like Argentina, partially supply the Brazilian market.

* Need To Reactivate Financial Market Underlined

91SM0303A Buenos Aires CLARIN in Spanish 29 Apr 91 pp 12-13, 43

[Report by Dr. Raul Granillo Ocampo, former legal and technical secretary of the presidency, president of the Integration Foundation]

[Text] The treasury deficit, which generates endemic inflation, excessive external and internal debt in a stagnating economy, and a massive outpouring of capital is the major cause of our country's economic woes. This deficit is in reality caused by the existence of a confluence of interests between a large portion of the public sector and a major part of the private sector, with the public sector becoming a partner or captive client of the private sector. Part of the public sector (including the ministries of health, education and justice) and part of the private sector, essentially agriculture and wage earners, are excluded from these common interests. The public sector because it has not found a way to become a part of this system, and so has become a mere generator of resources for its maintenance. The wage earner, the major victim, has little by little been forced to give up access to basic goods, culminating at the present time in health care and even food, as the only way to maintain the system.

In summary, the economic system in recent years has been nothing but a perverse mechanism for transferring resources from the economically and politically weakest sectors to the strongest sectors, a mechanism whose establishment and survival required widespread corruption.

This inherited chaos demands that we take a chance on replacing the current economic system with a serious form of capitalism. The national government has done an adequate reading of the possibilities of the international situation at the end of the century. It is not surprising, then, that the strongest resistance is coming from those who will have to give up their privileges. These people mask their activities under the guise of the true qualities of a serious form of capitalism. Competition, free markets, openness, privatizations, and efficiency are concepts that everyone advocates, but which are by no means truly welcomed by those who have grown because of the lack of these very qualities in the Argentine economy. Those who will have to give up "benefits" with the change have counterparts that can be found in the state structures, in politics and in the unions.

As no political discourse can now seriously defend the old system, this resistance is hidden behind meaningless slogans and most of all, behind criticisms of the forms in an attempt to neutralize their contents. The proposed change will first attempt to put an end to the draining off of resources from the more vulnerable sectors and then, based on order and stability, will promote real economic growth in which all sectors will share.

Experience shows that when there is stability, salaries grow stronger, efficient businesses tend to increase production, and financial speculation becomes less attractive. When economic disruption occurs, salaries fall, economic activity languishes, and speculation becomes rampant.

Despite some statements to the contrary, Argentina does have a high level of savings, sheltered abroad, in government securities and short-term financial investments. There is also a strong unmet demand for financing for a variety of purposes (investment, refinancing of liabilities, expansion of PyMEs [Small and Midsized Businesses], housing, etc.). Argentina has a large and sophisticated stock exchange system and an open market, as well as a reasonably efficient regulatory agency, the National Securities Commission. This does not mean that Argentina has a serious form of capitalism, and it certainly does not have a useful capital market. The Argentine capital market has been oriented toward sustaining the national economy's major protagonist, the state, and through it, its true beneficiaries in both the private sector and the public sector. The state, with its need for financing, has crowded out the private sector from the mid- and long-term financial resources market, but has provided enormous profits for its capital, which has brought with it a no less substantial general impoverishment.

So long as the state was able to maintain a certain amount of confidence on the part of savers, it absorbed financial resources in a variety of ways, displacing the private sector, which was unable to compete with the excessive profits to be made by financing the state. As confidence in the state waned, savers continued to pull out their investments in the state, increasing their investments abroad, while the private sector was still unable to become a real option.

We need to create mechanisms allowing savings without definite investment possibilities inside Argentina to be brought together with unmet financing demand from the private sector, providing instruments so that seekers of credit can tap these savings, and making these instruments accessible to the broadest spectrum of savers. The most suitable method for reaching this goal is mutual investment funds, which provide the ordinary saver information, access to the market and technical portfolio management services which he could not obtain individually, while also supplying him representative debt securities (short-, mid- and long-term) and shares in business.

In terms of debt securities, the creation of ON [Negotiable Bonds] by Law 23.576 was an important step forward; unfortunately, their potential has been frustrated by both economic and legal factors. The economic factors working against the growth of ON can essentially be found in the high rates of return offered by government securities, rates which are intolerable for any private undertaking. The raising of parity levels of government securities and the consequent decline in their rate of return are now tending to diminish the weight of this obstacle. Some legal factors have also worked against the growth of ON. In particular, the tax treatment of both the issuer and the investor has seriously hampered negotiable bonds, not to mention the regulatory standards related to securities, which have now been rescinded by the Economic Emergency Law.

The treatment of foreign investors, who are expressly excluded from the exemptions granted by law to Argentine investors (except those of Article 49, subparagraphs a, b and c of the Tax on Earnings Law) definitely sidelines them as potential investors, unless they have some representation in Argentina, which is not too likely. This is not because the foreign investor attempts to avoid paying taxes, but rather because the presumed income mechanism to which current legislation subjects them, in applying to them a direct aliquot share of 18 percent of the sales price (36 percent on presumed income of 50 percent of the sales price) acts as a definite deterrent, by not enabling them to evaluate the risk of their investment with serious criteria. Therefore, foreign beneficiaries should be given the exemptions of Article 36 without the restrictions contained in Article 21 of the Earnings Law. This would respond to the unanimous appeals of all the groups interested in this issue.

Current legislation sets an arbitrary limit for issuers of securities in terms of the amount of the financing costs they can deduct from their taxes, a cap that does not exist for any other type of financing mechanism. Moreover, the negative effect of limiting deductions of financing costs for the issuing enterprise is considerably worsened when the issuer is a bank. As we know, banks can issue ON according to the terms of Com. "A" 1362 of the BCRA [Central Bank of the Argentine Republic] in order to grant symmetrical credit to their clients, a possibility which in the proposed reforms is expressly included in the new draft of Article 36. In order for the instrument to give PyMEs, individual producers or even private individuals access to credit, it is essential that banks act as issuers and grant credit to their client with the funds obtained. In this indirect way, credit will become more accessible, at terms and rates which would otherwise remain reserved only for large companies. Today it is unthinkable for a bank to issue ON when the difference between what the law allows to be deducted and the real financing cost may widely exceed its margin or spread. The development bank role, which is played by so many official, provincial or cooperative banks, can no longer be carried out through subsidized credit, but may be now be handled by reasonable rates and terms. We need to support this instead of cancelling it.

For representative capital instruments, or stock, a similar strategy is called for. First of all, the tax treatment of foreign investors needs to be revised. This is identical to what we described for negotiable bonds, so it is equally discouraging. Unfortunately, nothing has yet been done about this, but we are sure that if the reform of the Negotiable Bonds Law is passed, this will be the central issue of concern in relation to our capital market. We need to look for mechanisms to promote risk investment without restrictions and, at least within the area of public offers, give this type of investment a favorable tax treatment, since the impact on tax collections will definitely be positive, because of the increased business activity which such financing promotes.

On another topic, one which is also related to the stock market's development, we think it will be useful to expand the studies related to the acceptance of stock issues with limited voting rights; this would require a revision of the Business Law. A measure of this nature would certainly help to open up companies; this is now hindered by the high concentration of capital stock and by the lack of any such tradition in this area.

In this way, during the first phase the private sector would be given both instruments to obtain medium- and long-term financing and new sources of capital, while we would offer ways to the public in general to channel their savings in this direction instead of keeping them tied up in foreign currencies, either in Argentina or abroad, or in short term investments. Furthermore, changes would be made in the treatment of foreign investment earnings. This is a difficult issue today because of tax regulations which do not produce any revenue collections.

Bolivia

DEA Agent Accused of Threatening Couple

PY0106143091 La Paz Radio Fides Network
in Spanish 1100 GMT 1 Jun 91

[Radio El Tropico relay from Trinidad]

[Text] A serious accusation has been made against a U.S. DEA agent in Trinidad. A Bolivian couple has submitted a formal accusation to traffic police; they have reported that the agent threatened to kill them on the street.

Mr. Pedro Anez and his wife said the unidentified agent parked his car illegally on the corner of (Barase) Avenue and Sucre Street. The couple noted that they complained about this with a gesture. After they passed the corner on their motorcycle, the agent caught up with them in his jeep and pointed his revolver at them. The accusation has been submitted to the traffic police unit because it involves a traffic violation, which provoked the incident, the couple said.

The police have not yet summoned any officials for the DEA in Trinidad, but the Anez couple reported that they have requested an investigation and will insist on justice. They added that they only want guarantees, but noted that these agents cannot be allowed to engage in arrogant acts against honest citizens.

The agent was driving a brown jeep with no license plate, like many used by Umopar [Rural Area Police Patrol Unit] advisers. The number of DEA agents is not officially known, but their activities are as intense as the speed with which they drive their vehicles through the streets of Trinidad.

*** MBL Head Scores Corruption, Militarization**

91SM0305A Santa Cruz de la Sierra EL MUNDO
in Spanish 1 May 91 p 9

[Interview with Antonio Aranibar Quiroga, leader of the Free Bolivia Movement, by Elenir Centenaro; place and date not given; first two paragraphs are an editorial introduction]

[Text] Antonio Aranibar, chief of the MBL [Free Bolivia Movement], has declared that he is completely opposed to the "militarization" of the struggle against narcotics trafficking. He said: "It will be an unequal war. The North Americans will provide the bullets, and the Bolivians will provide the dead." He reviewed the differences which separate him from the "pragmatic and opportunistic faction, now called the MIR-Nueva Mayoria [Movement of the Revolutionary Left-New Majority], which now holds power in a fake alliance with the ADN [Nationalist Democratic Action]." He stated that the entire country is embarrassed by the degree of contempt displayed by the government for a sense of ethics. "They take pride in their impunity." He also accused the governing coalition of having dismissed the head of the judicial branch of the government to protect Garcia Meza. Regarding populist groups, he pointed to an example: "The UCS [Unity for Civic Solidarity] is nothing more than a kind of system for distributing jobs which has been turned into a policy." He admitted that there are "elements in common" which unite the MBL and the MNR [Nationalist Revolutionary Movement] in opposition to the government.

Antonio Aranibar Quiroga, the national leader of the Free Bolivia Movement, arrived at "Virus-Virus" Airport without any bodyguards or a welcoming committee. It was not his considerable height or the heavy frame of his glasses which attracted the initial curiosity of the reporters present. Rather, it was the complex details of his "definitive divorce" from the Movement of the Revolutionary Left, of which he was the founder and against which he is now carrying on a pitiless kind of opposition from "a unique position, because no one like us has a clearly defined line of conduct."

[EL MUNDO] What is the background of your break with the MIR?

[Aranibar Quiroga] The only previous explanation for this situation, which is still relevant and which is increasingly confirmed by events, is the profound ideological, political, and organic differences which have separated us and still separate us from the pragmatic and opportunistic faction which later became the MIR-Nueva Mayoria, which now holds power in a fake alliance with the ADN. These differences clearly existed in 1984 and 1985, when the break took place and became evident during the period when the MIR participated in the UDP [Democratic and Popular Unity] government. After 10 October 1982 it was possible to see how, bit by bit, the phenomenon of the government's slide toward the Right at the ideological level and defections and a

shirking of responsibilities at the political level, as well as an absolutely anti-democratic tendency at the organizational level by the "Paz Zamora faction" to monopolize all of the jobs became evident. This led inevitably to a rupture which was not, as some people allege, a dispute over power at the personal level involving those of us who symbolized that break but rather was aimed at the work which the MBL is loyally and basically doing.

What could we do, if not to raise once again the banners of the people who need to establish a political instrument which would be effective, honorable, and deeply national?

They Take Pride in Their Impunity

[EL MUNDO] What action are you planning to take to deal with the deplorable scourge of corruption?

[Aranibar Quiroga] The whole country is embarrassed to see the extent of scorn for any sense of ethics. There is not the slightest doubt that moral deterioration is increasing in the country. At the public level the specific "contribution" of this government is to have brought corruption to unheard of levels, which now require, more than ever, an energetic reaction from our fellow citizens and from the mass of the people.

In this case we urge that energetic action be taken against this social evil. The first step to be taken, and a fundamental one in my view, is to fight against the attitude of government officials that they stand above the law because, as long as such an attitude continues to exist, it is clear that corruption will continue to be encouraged. One first aspect which must be clearly appreciated by the country is the need to find Garcia Meza and his associates responsible in order to lead on to the application of law and justice. Such a judgment has been delayed by the maneuver which the government has carried out regarding the Supreme Court of Justice, by removing the head of the judicial branch of the state. The purpose of this action, among other things, was to protect Garcia Meza and facilitate his attitude of standing above the law. This is evidence of the fact that there is no will to fight against corruption, because they continue to take pride in standing above the law, protecting by action or inaction, as in the case of Garcia Meza, those who have been proved to be criminals and who not only have affected the lives of the Bolivian people but also the Bolivian economy.

You have asked whether the government's action was taken "to protect Garcia Meza." No doubt, as I have pointed out, and I repeat it, the removal of the head of the judicial branch of the government, among other things, reflected commitments which this government has because of the corrupt involvement of some of its members with the "Garcia Meza" clique. I insist that at least one of the motivations for attributing responsibility to the Supreme Court was to protect Garcia Meza and to make it impossible to try him.

A Unique Position in the Opposition

[EL MUNDO] What is the position of the Free Bolivia Movement in the opposition?

[Aranibar Quiroga] It has a unique position because no one but us has a clearly defined line of action in opposition to the economic, political, and social model which began to be followed in 1985. At the same time, we have been against those who now, from their positions in the government, symbolize the implementation of this policy.

[EL MUNDO] What are the principal points of disagreement with the government's policy—militarization of the struggle against narcotics trafficking, for example?

[Aranibar Quiroga] Well, there are matters of some importance which are defining those differences. One of them, which will mark the life of the country for the next few years is the militarization of the struggle against narcotics trafficking. The Free Bolivia Movement, by making public the contents of the unfortunately well known Annex III, which was improperly covered up by the government, announced its opposition to a policy whose results will be the importation of violence. As a result the peaceful life of the Bolivian people will be affected, and the continuity of the democratic process will be placed at risk.

In this sense the government must change this policy and take into consideration the serious damage which it is causing the country and its own armed forces. Insisting on a position of this kind amounts to acting in total disregard of the interests of the country.

His Reasons for the Defense of the Cultivation of Coca

[EL MUNDO] What basic reasons lead you to defend the growers of coca?

[Aranibar Quiroga] The reasons for the defense of growing coca in Bolivia are very clear. They involve defending a natural and culturally important product of the Bolivian people against an irrational policy which does not take into account economic laws and the economic nature of this phenomenon.

The illicit business of narcotics trafficking has profound social and economic roots. This is not merely a moral or police problem, although, of course, it contains those ingredients. As everyone knows, the illicit traffic in drugs is the second most profitable in the world economy after the arms traffic. Therefore, it is the greatest source of income. For that reason the problem will not be solved by taking repressive action but rather by actions which affect the nature of the problem. In the case of Bolivia the economy can be called a "narcotics economy," since Decree 21060 has legalized the flow of "narcotics dollars." These dollars constitute the financial cushion of the financial stability achieved since August 1985.

Contribution of Coca Production to the Economy

Stability and the current state of relative social peace are also linked to the production of coca leaves, in which, as we know, about 300,000 people are engaged. It contributes to the national economy about \$300 million worth of Gross Domestic Product, from the agricultural sector. Hence, the production of coca has a key economic and social significance for the country and will affect it in an irrational way. Failing to understand the true roots of the phenomenon of international drug trafficking only serves the interest of countries other than our own. This is because, in addition to all of what has been said, it is necessary to add a final factor. Within the economic nature of the illicit drug traffic in the world, it is clear that one of the laws of the market economy is being carried out: the demand for a given product generates a corresponding supply.

It Will Be an Unequal War

The North American formula for dealing with the problem is to attack the phenomenon of narcotics trafficking at the production level. That can never be Bolivian policy because, as a rational concept, it is evident that whoever causes the production of cocaine is the one who consumes it. As the consumption predominantly takes place in North America, that is where this impressive deployment of military forces should take place. Through the deployment of these forces in Bolivia a war is being imported into our country which is of no interest to the Bolivian people but rather to the North Americans.

[EL MUNDO] Then will there be bloodshed in Bolivia?

[Aranibar Quiroga] That is the risk which we wish to avoid at all cost because it will be an unequal war. The North Americans will provide the bullets, and the Bolivians will provide the dead. We should be fully aware of this.

Bolivia Is Not Nonviable

[EL MUNDO] In the past people have referred to the nonviability of Bolivia as a state. It is said that its productive base is too small and that we are exporting less than we consume in a territory which, furthermore, has no structure. What do you think of that?

[Aranibar Quiroga] The thesis that Bolivia is not viable is the view of the dominant, antinational classes, which existed in the past and still exist. For that very reason they sell out the natural resources of the country and auction off our sovereignty. A truly national, integrated program, joined with a sense of independence and national sovereignty to the rest of the countries of Latin America in building a single unit capable of facing the challenges of a world made up of larger and larger economic units, is the only path which, in our view, is realistic and possible to follow.

Popular Concern Calls for a Fuller Answer

[EL MUNDO] What is your view of the populist phenomena in our country, such as Max Fernandez and Carlos Palenque?

[Aranibar Quiroga] There is no doubt at all that an erosion in the credibility of the political system is taking place. In addition to all of the inadequacies which the governing political parties are displaying with their neoliberal model and the past failures of the parties of the Left, we are encouraging the emergence of a new political current by displaying the UDP model. This current is like the Condepa [Conscience of the Fatherland], which is a kind of revived ghost of populist programs of the past. For example, Unidad Civica Solidaridad [Unity for Civic Solidarity] is nothing more than a kind of system for distributing jobs which has been turned into a policy. I have no doubt that there are circumstances which favor the emergence of this kind of political current. Nevertheless, they do not have the scope or status of a real, national answer to a problem. Rather, under the best of circumstances they may become temporary answers to the kind of concern among the people which requires another type of basic response. Such a response would affect the way in which the government is structured in our country. The government can only be structured on the basis of a consistent, popular movement, developed and employed by a political movement, which is genuinely national and leftist in character.

[EL MUNDO] What do you think of the new political generation in the MNR?

[Aranibar Quiroga] I think that they are performing their role of trying to develop a policy of neoliberalism. In that connection we have indicated very clearly how far we are from accepting that kind of attitude and conduct.

[EL MUNDO] Is there anything which unites you with them at this time?

[Aranibar Quiroga] No doubt there is. There are common elements in the sense of action taken in opposition to the present government, although it is also known that the opposition activity by the MNR is of a different kind from that of the MBL. The MNR is opposed to the present government because of what it considers its mismanagement of the neoliberal model. We are opposed to this government, specifically because it continues to implement the provisions of Decree 21060. The differences between the MNR and this government are political in character. Our differences with this government are also political in character but in addition are ideological and program related.

Chile

FPMR Announces Status as 'Political Movement'

PY0106022091 Santiago Radio Chilena Network
in Spanish 1700 GMT 31 May 91

[Text] The national executive board of the Manuel Rodriguez Patriotic Front [FPMR] announced today that it will become a political movement to fight for people's dignity. The FPMR announcement was made during a crowded news conference this morning at the folklore restaurant Chile Laughs and Sings, located on San Isidro Street. A video of leader Alfredo Malbrich was shown following a number of shots of the interior of a house. Malbrich introduced the national executive consisting of Cesar Quiroz, Jorge Videla, Marcos Riguelme, and Angelica Rojas.

After singing the FPMR's anthem, Angelica Rojas read a public statement.

[Begin Rojas recording] We are here to speak proudly about our past, to raise a dignified and clean face vindicating what we did, which we would do again if those who are against the fatherland and democracy intend to subjugate the people again. We are here because we have the right to be here and because it is our duty. [end recording]

Rojas said that the front was born on 14 December 1983 inspired by an oppressed people's right to rebellion. Rojas said that they are not ashamed of their past, nor do they cry for their dead who, in their opinion, sacrificed themselves for the cause. Angelica Rojas and the movement's executive board expressed that their new objective was to strengthen the demand for change in the country.

[Begin Rojas recording] We call on those who feel discontent and indignant, on all those who do not find channels of expression for their legitimate rebellion, on our sympathizers and friends, and on all those who still feel shame and still have the capacity to be amazed, to join us in the Manuel Rodriguez Patriotic Movement. This is a new stage in the front's development in an attempt to become an instrument of action for the dignity of the fatherland until we achieve full implementation of popular sovereignty. [end recording]

The FPMR also repudiated what they called the agreement of the antidemocrats and criticized the system of designated senators. Rojas refused to answer questions after reading the public declaration on the creation of the Manuel Rodriguez Patriotic Movement and only complained about the situation of political prisoners.

More on Decision

PY0106235491 Madrid EFE in Spanish 2337 GMT
31 May 91

[Text] Santiago, 31 May (EFE)—One of the two factions of the ultraleftist Manuel Rodriguez Patriotic Front

(FPMR) today announced its decision to cease promoting the armed struggle. It announced that it seeks its political insertion in Chilean democracy as "a popular movement of the masses, open to all Chileans."

In a news conference held today by the FPMR national executive board, its members were unmasked and they identified themselves. During the conference, they read a statement asserting that as of today, they have ceased to promote the armed struggle and have become the Manuel Rodriguez Patriotic Movement (MPMR).

In an exclusive interview with EFE, Jorge Olivera, former political prisoner and top-ranking FPMR leader, stated that the FPMR "has no guns" because "those we had are now held by the repressive apparatus of the previous regime, by Military Judge Fernando Torres Silva, and other members of the National Intelligence Center (CNI)."

Olivera added that his movement will work to promote democratic changes by helping to change those institutions established by Pinochet that are still in existence. Olivera said he believes that "this character (former Chilean President Augusto Pinochet) only crossed the street from La Moneda (government house) to the Defense Ministry. This is the real situation in Chile, what all of us are experiencing."

He said: "We will not surrender arms like some military groups in other Latin American countries have done because the FPMR does not have any guns. All of them have been seized by the Pinochet regime security organizations, which seized over 60 tons of guns."

The FPMR was established on 14 December 1983 by the Communist Party to launch a military struggle against the military regime headed by General Augusto Pinochet. A more radical and independent faction seceded from the FPMR in 1987.

Now that the FPMR political faction has decided to surrender its guns, the other faction insists on vindicating the armed struggle as a means to achieve "the freedom of the Chilean people." It asserts that Chilean President Patricio Aylwin and Pinochet "are the same thing."

Present at today's FPMR news conference were Angelica Rojas, who is also a top-ranking FPMR leader and a former political prisoner, and combatants Cesar Quiroz and Leandro Tolchi.

Alfredo Malbrich and Marcos Riquelme, who have been at large since they escaped from jail with 50 other inmates in January 1990, were not present.

Angelica Rojas said: "We are here to speak proudly about our past, to raise a dignified and clean face vindicating what we did, which we would do again if those who are against the fatherland and democracy intend to subjugate the people again. We are here because we have the right to be here and because it is our duty."

She added: "We are here to speak of the future. We have come to tell the Chilean people that we want to help change things. We will not forget the lessons we learned from the Pinochet tyranny, and we do not accept its legacy."

Christian Democratic Party Deputy Andres Aylwin also attended the news conference. Aylwin said that the FPMR decision should be praised because it helps to strengthen the democratic process.

Also present at the news conference were leftist parties legislators and leaders of other Chilean political groups.

Interior Minister Enrique Kraus said that "it is very good" for "the majority of Chilean political sectors to commit their efforts to the consolidation of democracy."

Decision Called 'Positive'

PY0206000291 Santiago Television Nacional
de Chile Network in Spanish 0000 GMT 1 Jun 91

[Text] Today, President Patricio Aylwin called the decision of the Manuel Rodriguez Patriotic Front [FPMR] to join the normal political activity of the country positive.

[Begin Aylwin recording] Naturally, it seems fine to me. Any action rejecting violence and participating actively in the life of the nation is positive. [end recording]

Aylwin made these comments after meeting in Cerro Castillo with student leaders of the Catholic University of Valparaiso, who called for more participation of youth in the university life.

Interior Minister Enrique Krauss also made it clear today that some of the FPMR members will have to answer to the courts for pending court proceedings.

[Begin Krauss recording] There is no doubt about the meaning of this decision. I do not know the specific situation of the people involved in this positive step for reinsertion into a democratic society, but some of them will have to face pending court proceedings. Overall, it seems to me quite favorable and positive. [end recording]

On another issue Krauss said that the Gendarmerie has adopted all the necessary measures to prevent the hunger strike of political prisoners throughout the country from creating conflicts.

[Begin Krauss recording] The strike is wrong because that form of pressure will not lead to positive results. Also the pressure violates the human rights being demanded. I believe this is not appropriate, therefore, the Gendarmerie has taken every precaution to prevent this situation from creating conflicts. [end recording]

Politicians React

PY0106234691 Santiago Radio Nacional de Chile
Network in Spanish 1100 GMT 1 Jun 91

[Text] The public appearance of Manuel Rodriguez Patriotic Front [FPMR] leaders has prompted controversy. While some people consider it a positive move for the front to enter the political arena, others objected granting it a public forum.

PPD [Party for Democracy] President Erich Schnacke has said that it is a positive move for the front to join the democratic political process and struggle for social change by using democratic methods and giving up the path of violence. He admitted that during the period of acute confrontation with the military regime, the front might have justified this path, but the PPD could not.

Schnacke praised the front's decision to give up violence and understand that the democratic path of dialogue and consensus is the best way for society to feel safe and be able to progress.

Felix Viveros, secretary general of the National Renewal Party [RN], has said that it does not seem reasonable for a state-owned medium to grant a public forum to an organization that has thus far claimed to be a guerrilla organization and has been operating clandestinely.

Viveros talked about an interview granted by the state-owned television channel to Alfredo Malbrich, a fugitive FPMR spokesman.

Afterward, the RN leader said he had his doubts about Malbrich's remark that the FPMR would rejoin [as heard] the conventional political arena.

FPMR Faction Leader Interviewed on Ideology

PY0206003091 Santiago HOY in Spanish
6-12 May 91 pp 6-10

[Report on interview with Eduardo Rojas, member of the Manuel Rodriguez Patriotic Front-Autonomous Faction leadership, by an unidentified "foreign reporter," date and place not given]

[Text] In its last issue, HOY briefly reported that at noon on 3 May, very close to printing time, it received a telephone call from a woman who identified herself as Mariela Vargas, a spokeswoman for the Manuel Rodriguez Patriotic Front-Autonomous Faction [FPMR-A]. Vargas stated that a videotape for this magazine could be found in the bathroom of a restaurant.

The videotape was wrapped in paper and a letter inside the package explained that it was of an interview with Commander Eduardo Rojas, a FPMR-A leader, by a foreign reporter. The package also contained two photographs of Rojas.

Publication of that note caused Judge Gloria Olivares, who is investigating the FPMR-A, to issue a confiscation order for the material (the videotape, letter, and two

photographs) under threat of an order for the arrest of Marcelo Rozas, publisher of HOY, who was in the United States last week.

The FPMR-A, which is explained by Rojas, is very critical of the transition government, because it is a continuation of the military regime, economically and socially. Rojas maintains that this group has no interest in a dialogue with President Aylwin or other sectors unless the dialogue is on the basis of what it calls "the people's objectives," and it stresses that it does not see any change in the government leadership in favor of "popular interests."

There is no reference in Rojas' remarks to surrendering arms in order to seek ways to join the country's democratic or political life, something he flatly denies. Many of his remarks are in the framework of the group's traditional style and they have been made on other occasions by the organization's spokesmen. This is the first time they have been said by a member of the leadership since Pinochet left government. This is why it is important that this interview is made known today in its entirety. It is a showcase of the FPMR-A's motives and ideology at a time when the problem of political violence is one of the country's primary concerns.

[Reporter] Senator Jaime Guzman was murdered some days ago. The crime is attributed to your group. What is your version of the incident?

[Rojas] Vasily Carrillo, one of our spokesmen, has said what needed to be said. I can only add that Guzman was really and truly executed. The people have a memory and they do not forget their enemies even though they pretend to be democrats today and try to exercise a role in the new political situation. We believe that one must have moral values to be a democrat and not put it on or take it off like clothes. These values were too great for Mr. Guzman.

[Reporter] If you were not the executioners, what information do you have?

[Rojas] We do not have any precise information, but the execution itself and its political meaning leads us to believe that sectors of the people carried it out.

[Reporter] Do you agree with the opinion that Guzman's death has given the government a golden opportunity to reinforce its police apparatus?

[Rojas] We believe differently. We believe that for some time now, the government has been reinforcing its repressive apparatus. (...) The Guzman case was not the detonator. On the contrary, we believe this government planned to become the administrator of a modified, modern counterinsurgency policy.

[Reporter] Are you willing to participate in negotiations leading to a massive handing over of weapons, such as M-19 did in Colombia?

[Rojas] We have heard of that and we believe it is a political ploy to clean up images and enter the game of isolation that the government has implemented with respect to the patriotic movement.

[Reporter] Then you are not going to turn in weapons?

[Rojas] I do not think so. Weapons have a very important role in revolutionary policy today.

[Reporter] It is said that the FPMR-A only has 100 militants, others speak of 1,000 militants and a very powerful arsenal. How can we quantify the FPMR-A force today?

[Rojas] There is a lot of speculation with regard to the FPMR-A. A great deal of somber propaganda has been directed at our position and ideology; every day new inventions appear in the newspapers. In sum, we are a revolutionary, patriotic organization with well-defined political objectives that is growing every day within the national political spectrum. The government's concern with wanting to liquidate us today, get us out of the way, is due to the fact that the FPMR-A represents a banner in the struggle for dignity and respect for humanity and human rights, and the FPMR-A lashes out against them where it hurts them most—in their inability to apply justice, in their inability to carry out the promises they made during the election campaign; in other words, social justice.

[Reporter] Could you give an approximate figure for the number of militants in the front and the number of arms it is in a position to use?

[Rojas] I will answer this by saying that Rodriguezism is a national, growing phenomenon that goes beyond those of us Rodriguezists who are in the front. There are Rodriguezists in our organization and there are others in the ranks of other parties and even, in the government itself who, sympathizing with our policy, maintain a policy of unity and development, which is the policy the front currently advocates. As for arms, we have enough arms to struggle.

[Reporter] How do you explain the fact that the front remains active during a period of democratic transition?

[Rojas] First, it is clear for us that we are going through a process of transition from a military government to a civilian government. In fact, the continuation is based on the dictatorial powers that have remained intact during this transition. Therefore, we disagree with those saying that we are enjoying full democracy. We are going through a process of transition from a dictatorial regime to a civilian regime that undoubtedly plays a role along general democratic political lines, but that in no way has broken the continuity of the dictatorial system. Therefore, it is important to say that, under these conditions, there are no and will not be any changes. First, because the government's decision has been to not make any changes. This not only represents an unwillingness to implement changes but it also involves an inability and

a resolve to not implement any change involving the foundations of the system because this government is actually the result of negotiations.

[Reporter] It has been claimed that the people are tired of violence and confrontation. It has been claimed that there is a certain acquiescence with current events in order to not revive the situation that prevailed during the military regime. This has been said specifically about the FPMR.

[Rojas] The parallel dictatorial power, which does not fit in with this so-called democracy, is the primary germ for the decomposition of society, for maintaining the sectors, both political and military, that caused the disastrous situation that currently prevails in our country, including human rights violations. Second, I want to say that some terms, such as the Chilean people's alleged pacifism, "that we are tired of violence, we want peace," have recently been used very liberally. We must define these things. Of course, all of us are tired of violence and want peace—in our case, particularly—and we believe our view is shared by the majority of the Chilean people. We are tired of the violence exercised by a dictatorial regime that oppressed us for 17 years. We are tired of the cynicism with which this government intends to maintain and continue this process of impunity for the dictatorial powers that tired us out. It is important to say, and we must not forget this, that both this transition process and the dictatorship came to power after violently breaking with our country's democratic system. Therefore, by representing a continuation of these powers, this government also represents a continuation of the violence exercised from the viewpoint of terrorism of the state and the dominant classes in order to protect their interests. Therefore, the advocacy of violence which the front is allegedly accused of, does not agree with the realities we Chileans are experiencing.

[Reporter] At any rate, will you change the type of armed actions with respect to those carried out during the dictatorship?

[Rojas] We have obviously experienced a change in our national political situation—not only in our country, but also throughout the world. This is obvious. Today more than ever, these actions are being carried out within the framework of the people's rightful social claims, within the framework of the people's possible social claims, which are currently denied by this government's decision not to conduct a social policy based on these interests. This is the reason for our armed actions. Our armed actions are aimed precisely at strengthening that process of rightful social claims. Undoubtedly, a particular feature in our actions today is that the enemy has spread out.

[Reporter] Representatives from Chilean leftist parties are holding important posts in this government, which you have described as a continuation of the Pinochet regime.

[Rojas] This is a reality that cannot be ignored. Without any intention to discredit anyone, we believe that the

leftist forces participating in this government, supporting its policies, and objectives, are political leaders of the old Chilean left. This is an old left striving to break abruptly with its traditions and with the nature of that leftist sector which traditionally has been connected with and headed the popular movement. Because we are implementing the policy established by the political leaderships, today there is a distancing between the leftist sector and the people who are heading in a different direction. But I believe this is due to the exhaustion of the postulates and guidelines. This is another reality that cannot be ignored; that is, the majority of leftist leaders and leftists were exterminated during the 17 years that the dictatorship ruled the country. This helps the current leftist leaders to ignore their tradition, be pessimistic, and sometimes adopt conciliatory attitudes beyond and at the expense of their own interests.

[Reporter] You recently concluded an internal consultation process. What were the conclusions of this process?

[Rojas] More than a consultation, we have just ended a discussion process on political, ideological, military, and organic issues within the FPMR. It was held in eight regions throughout the country, and it was attended by a large number of FPMR cadres, chiefs, and militants. We wanted this process to be as representative as possible despite being held underground. (...) In view of this and of the excellent conclusions that were achieved, we have urged the left and all Chileans to learn about these conclusions, so that on this basis we may draft a popular proposal that will answer the most urgent needs the popular movement is currently experiencing at the leadership level, to gain strength and thus become an alternative.

[Reporter] Does this mean that during this period, the FPMR will grant more importance to sociopolitical issues rather than military issues?

[Rojas] We uphold an all-encompassing policy. It is a political-military policy. These two elements cannot be separated. One of the main tasks the FPMR is facing today is to promote its insertion in society because this is the basis of our development and of our political proposal. Therefore, this is something that has always guided our attitude, our ideas, and today it must gain new strength to be able to develop our strategy. Otherwise, we will be isolating ourselves from an important social sector which today is disenchanted and demands greater participation. Therefore, our social insertion is the only answer to the disorganization, disappointment, and discontent that is affecting the majority of Chileans.

[Reporter] What do you know about the government's call to the people to inform on FPMR militants? What is your opinion of this call?

[Rojas] We should start by saying that, with full disregard for the people's dignity, this government has approved, through Congress, an antiterrorist bill that has been referred to as the informer's compensation bill. Through this initiative, the government wants the people

to inform on the people, and it wants them to betray the members of the FPMR and of the other patriotic forces of the country in return for a reward, which will be either money or some other kind of compensation. It is like a call to the opportunists, like those who may offer to surrender their arms or sell out their principles in exchange for a profitable rejoining of society. (...) This announcement has clearly unmasked the government's leaning toward the right, because over the past few days the government has not hesitated to blame the left for the latest actions, without even considering the possibility that the guilty ones may be those sectors that have always practiced repression and terrorism in the country. Such are the rightist sectors, the CNI [National Intelligence Center], and the repressive organs of the Armed Forces. The counterinsurgency offensive is being improved, and this leads us to the conclusion that this is a consequence of a strategy designed by this government. This strategy, which seeks to halt social conflicts, was enforced after the U.S. Government found out that there would be social conflicts—which were called low-intensity conflicts—in Latin American countries, particularly in Chile and Peru, because of the socioeconomic conditions in those countries. From a strategic viewpoint, political, economic, and military measures have been adopted to halt such conflicts. The same thing has already happened in El Salvador, where a Christian Democratic Party government succeeded military dictatorships, becoming the staunchest supporter of the policy of counterinsurgency against Salvadoran guerrilla and revolutionary forces. It is important to note this, because all this "offensive against terrorism" only serves to conceal this government's decision to annihilate the revolutionary movement. The government has not been honest enough to admit this objective.

[Reporter] What will happen to FPMR security? There are comments about division and about the fact that the police know the names of FPMR leaders.

[Rojas] Ideological warfare is as active as ideology itself. Psychological warfare is a method for discrediting an adversary from a political, social, and moral viewpoint. As the government itself has put it, we are its enemies. All the reports that were published are part of a psychological war that not only the government, but all of its mechanisms have waged very efficiently. The FPMR is not divided; it is united, more strongly than ever, behind its principles, ideas, policies, and national leaders. The last debate sought to strengthen us as an organization and from a political, ideological, and military viewpoint. (...)

[Reporter] There have also been comments about coordination among the FPMR, the MAPU-Lautaro [Lautaro faction of the United Popular Action Movement], and the MIR-Military [military faction of the Movement of the Revolutionary Left]. What about all that?

[Rojas] That is another fabrication of the psychological war. The objectives of the unity that we advocate are the

rank and file, the fight, and the social struggle, which is supported by the rank and file. There is no coordination whatsoever. (...)

[Reporter] Commander, if President Aylwin gave FPMR leaders a chance to meet him to listen to your specific demands, what would your answer be?

[Rojas] Our position toward the government is very clear. The interest of the government is very different from that of the FPMR. Therefore, we are not trying to talk with President Aylwin—and we do not intend to talk with him, either—on the basis that they want to destroy us. (...) If the FPMR ever engages in talks with a social or political sector, negotiations will aim at finding a common objective that will always take into account the main interest of our people.

[Reporter] Specifically, what does the FPMR propose today?

[Rojas] The proposal has to be discussed on two levels. The first level results from this process of discussions on which we have embarked. The FPMR has defined an attitude toward the government that is important to understanding our proposal. We begin by asserting that the political and economic rights that are being denied to the Chilean people are a source of deep contradiction in this government, and that the situation shows that the government continues the dictatorial system. The second level is a result of the position adopted by the judicial branch and the Armed Forces commanders to hide the corruption that existed during the 17 years of dictatorship. This is emphasized by the government's attitude of complicity, because it has not been able to fight corruption. These situations have forced the patriotic movement to fight with dignity and to take a firm stance toward a government that protects corruption and state terrorism and that is unable to satisfy people's needs, or even to fulfill its electoral promises to the people who elected it. The FPMR will not participate in this government; that is a decision on principle. We reject all government attempts to dismantle the popular struggle.

We have determined that the immediate objective is to fight for democracy, true democracy in the country. This democracy, however, must not be exercised by the leadership alone, from the top down, but through the people's real participation in necessary social and political changes so that we can truly achieve popular democracy. We also propose, and we do this through action, to maintain a dignified attitude in face of the existing dictatorial structure that we will fight to destroy.

[Reporter] Commander, what in fact do you mean? What are the elements of that fight?

[Rojas] It is basically a struggle for changes in the economic, social, and political system that is part of the dictatorial structure. It requires proposing an end to the institutional dictatorship and the corrupt power it represents and to the extension of that corrupt power in this

new government and its authorities. It requires the moral and material trial of those who are guilty of human rights violations and the trial and punishment of Pinochet. This is a basic condition before talking about democracy. We also think that it is essential to restore our moral values, the values of the fatherland, and those of national sovereignty. We have reached other tactical conclusions as well. We have decided to dedicate ourselves to the task of creating and strengthening an alternative social movement, a movement that will raise the banners of dignity and patriotism with the grass roots to articulate a network of social organizations in order to become an alternative. All this together with decisive armed action to accompany the social movement and to impel it forward to higher levels of struggle. [sentence as published] We FPMR followers believe that this must be the specific response to the situation of conformity, surrender, apathy, confusion, and indifference that is being imposed on our people.

Police Stop Protest for Political Prisoners

PY0206035491 Santiago Television Nacional
de Chile Network in Spanish 0000 GMT 2 Jun 91

[Text] Carabineros arrested six people, including a leader of the Manuel Rodriguez Patriotic Front [FPMR], during incidents that took place today outside the Santiago Prison.

The political prisoners on a hunger strike at the Santiago Prison were still unable to receive visitors today. All attempts by relatives and members of the recently established Manuel Rodriguez Patriotic Movement [MPMR] to change this decision failed. No incidents were expected, but they began while one of the MPMR leaders was talking to the press.

[Begin recording] [Unidentified MPMR leader] We are demanding the freedom for all political prisoners and the reinstatement.... [changes thought] You can see the way the police are behaving. I think that this has to be decided.... [changes thought] This is what is happening today. Carabineros are taking action simply because we are here. This should not be the case. You can see how Carabineros are bullying us, and we are publicly denouncing this. This must change. You can see that we are not doing anything. [end recording]

The people's reaction was purely verbal, but the water cannon continued drenching the demonstrators. [video shows water cannon showering the demonstrators. Carabineros officers pushing people and dragging some of them, including women and the MPMR leader, toward police vans. One woman slaps Carabinero officer and is dragged inside the police van together with her daughter amid protests from other demonstrators.]

After 1100 today the arrested demonstrators were taken to the First Santiago Police Precinct Station.

Meanwhile, Interior Minister Enrique Krauss explained that Carabineros had taken action in front of the prison in view of an unauthorized public gathering.

[Begin Krauss recording] You know that the director of Prison Guards has suspended visits to prisoners for reasons known to the general public. This was not an attempt to visit the prisoners, but a demonstration in front of the Santiago Prison for which prior notification had not been given, much less proper authorization. Therefore, following several steps aimed at dissuading the demonstrators and in view of the threat to public order, the Carabineros have reported that they were forced to use a water cannon to break up the demonstration. [end recording]

He added that according to the Carabineros, no children were arrested. At the request of a mother who was arrested during the incident, her child was taken to a police station with her.

Enrique Krauss was also asked about the harsh criticisms that the CUT [United Labor Federation] had launched against the executive branch for not fulfilling the government program and for failing to discuss the privatization of the railroad freight service with its workers. The ministers of finance and transport were also asked not to invent the information that they give to the president of the nation.

[Begin Krauss recording] I believe that these allegations are unfair because I know that the minister did meet with the workers, and the worst that can happen would be to give these situations ideological overtones.

There is no general decision about privatization, nor is there a decision against privatization. The worst thing would be not to take these measures and bring about a financial collapse of such a key enterprise. [end recording]

Finally Krauss said that the railroad workers' reaction was only to be expected, but easily explained and justifiable taking into account their working and emotional ties with the company.

Official Views Illegal Radios, Hunger Strike

PY0306030991 Santiago Television Nacional
de Chile Network in Spanish 0000 GMT 2 Jun 91

[Text] Enrique Correa, secretary general of government, has said that the executive branch will send a bill to Congress to regulate the operation of so-called people's radios. Correa made the announcement this morning during a meeting with leaders of La Victoria neighborhood in southern Santiago. The leaders expressed their concern about various problems in their community, noting a communications undersecretariat's memorandum ordering immediate closure of the neighborhood's illegal radio station and payment of an administrative fine of five tax units [unidades tributarias] for

violating regulations on radio operation. Correa said the government wants to regulate and permit the operation of these radios.

[Begin Correa recording] The government has to apply the law. The government will seek to amend it if it is too complex. That is what we are currently doing. If the transport minister does not.... [changes thought] What you have just said, he might have to answer for violating the law. What do we do then? We think communities have a right to have their own radios—supported by communal organizations, neighborhood committees, or any communal authority. We are trying to change the law so you are not affected. That is all we want to do. The principle is freedom of expression for all. [end recording]

At the end of the meeting, Correa spoke about the political prisoners hunger strike in various prisons in the country.

[Begin Correa recording] The hunger strike is not the best solution. We all want to solve this problem, this heavy burden we inherited, which has kept many people in jail for politically motivated crimes. The president said that we have fought an important battle in Congress—the coalition parties and the opposition cooperated in this battle. Now, we want a quick implementation of the law so the problem can be quickly solved. [end recording]

Meanwhile, the hunger strike by 87 political prisoners continues. Prisoners say the strike is successful and the government decision to forbid visits by relatives was silly. Today, 51 out of 53 political prisoners finished their third day on strike at the former public jail in Santiago. Two of them, Miguel Angel Chacon Leyton and Juan Rolando Vazquez, were released on bail. Chacon and Vazquez are being tried for violation of the antiterrorist law. The strike continued, however. Another 34 inmates joined the strike in Rancagua, Valparaiso, and Talca.

Political prisoners released a letter after incidents this morning, giving details of the strike.

[Begin unidentified woman recording] We have evaluated the results. The strike is successful. The government's silly repressive measure forbidding visits by prisoners' relatives has failed. The government wanted to confuse public opinion and divide political prisoners. [end recording]

What do strikers want? Lawyer Carlos Margota thinks the real problem is the delay in transferring cases from military courts to regular courts.

[Begin Margota recording] In some instances, ordinary courts have rejected the jurisdiction of military courts. In other instances, ordinary courts have not respected prisoners' right to bail. Lawyers have repeatedly been denied their client's release. [end recording]

Colombia

Medellin Cartel Members Reportedly To Surrender

PA0306041091 Bogota EL TIEMPO in Spanish
31 May 91 p 12A

[Report by Edgar Torres]

[Text] The eventual surrender of Medellin Cartel kingpin Pablo Escobar Gaviria to Colombian justice officials will occur only after—provided that the process is carried out—the surrender of a still undetermined number of the criminal organization's liaison officers.

EL TIEMPO was able to ascertain that this initial phase would reportedly be carried out next week and would presumably result in the surrender of "persons who are midlevel officers in the Cartel," as was stated by sources consulted by this newspaper.

In fact, since the construction of the prison in Envigado has not concluded, the process for the first surrender—scheduled for Saturday, 1 June—was virtually suspended.

Nevertheless, as EL TIEMPO reported in its Tuesday 28 May edition, the Criminal Investigations Directorate has already coordinated the necessary actions with the various authorities that will participate in the surrender process: the Attorney General's Office, judges, prosecutors, and various others.

The information obtained, although still incomplete, states that those who will precede Escobar Gaviria in the surrender process include persons whose extradition has been requested by the U.S. Department of State and persons who have been indicted and are wanted only by Colombian authorities...."

A reliable source told EL TIEMPO that, in addition, "at least one person whose extradition has been requested by the authorities of another country, not the United States, and who faces several charges of drug trafficking, would surrender to Colombian justice...."

The source abstained from providing details about the identity of the Cartel liaison officers who are reportedly willing to surrender themselves to Colombian justice.

Available information indicates that the process which began on Monday, 27 May, when Escobar Gaviria's lawyers first established direct and official contact with Criminal Investigations Directorate members, has already yielded specific results.

The results include, among other things, the decision that Escobar Gaviria and whoever else surrenders will be imprisoned in Envigado's prison (it will reportedly be ready next week) and the guarantee that the outer area of the prison, which is located on a mountain at a height of 2,600 meters, will be protected by Armed Forces members, thus implementing the norms which allow the executive branch to use a corps like the Army when in need of special protection.

Various sources consulted by EL TIEMPO said yesterday that the circumstances surrounding the surrender and the guarantees for the prisoners' personal protection have been the only reason for the contacts between Escobar's lawyers and the government.

Within this context, and referring to an article published yesterday by another newspaper, spokesmen for the Criminal Investigations Directorate asserted that "the lawyers have presented no request for the government to remove police officers from their posts or to legalize Escobar's fortune."

"The government has implemented a policy that is not negotiable, and the consultations with Escobar's lawyers have dealt exclusively with operational issues...."

The source added: "The lawyers stated that he is willing to surrender, but he wants his security fully guaranteed. The Criminal Investigation Directorate's replies sought to explain the law's provisions on security issues...."

In addition, Attorney General Carlos Gustavo Arrieta said that he has no official information concerning the conditions outlined by Pablo Escobar Gaviria.

Father Rafael Garcia Herreros yesterday referred to this and said that Pablo Escobar had mentioned nothing about conditions.

"He never told me anything about this," the priest asserted.

The first news about the eventual surrender of several Medellin Cartel members was mentioned in a memorandum sent last year by "The Extraditables" to President Cesar Gaviria through the group of "The Notables," which comprises former President Misael Pastrana Borrero, Alfonso Lopez Michelsen, Cardinal Mario Revollo Bravo, and former leftist leader Diego Montana Cuellar.

Peru

Officials View Fight Against Subversion

PY3005225491 Lima Radio Nacional del Peru
Pachacutec Network in Spanish 1200 GMT 30 May 91

[Text] Prime Minister Carlos Torres y Torres Lara and Defense Minister General Jorge Torres Aciego have stated that the people are no longer afraid of subversion, and they have therefore challenged the so-called armed stoppage.

[Begin recording] [Torres y Torres] Well, we have been meeting here in the Chamber of Deputies, and I can only refer to what I saw on my way here at 1000. I observed that everything was normal in town, with all activities developing normally. Perhaps there have been some problems with some transportation means, but overall the situation was normal. I saw that everything was

operating normally, and thus this situation will be overcome as usual. We are fighting here for a legal constitutional government.

[Torres Aciego] I think the armed stoppage has failed. I think it is a failure because I have seen no stoppage at all. Everything is proceeding normally, except for the circulation of some buses which are not in service perhaps for fear of being attacked, and not because they are expressing solidarity with the stoppage.

[Unidentified reporter] Have some people been arrested?

[Torres Aciego] Yes, there are some people under arrest, including some 50 seditious people arrested at the National Engineering School early in the morning. Perhaps they do not belong to the university, but they may have been using the university to blockade the avenue going north.

[Reporter] We have heard that other Shining Path cells have been detected elsewhere. Is it true?

[Torres Aciego] Yes, we have detected terrorist cells in some provinces—in Rioja, in Tarapoto, and in Huamanga. We have detected armed cells as well. We have recovered some weapons, and unfortunately there have been some casualties on both sides.

[Reporter] Has there been some restriction in the electricity supply?

[Torres Aciego] Yes, two power towers were destroyed, but the electricity supply was restored immediately.

[Reporter] How have the people reacted to this stoppage, Mr. Minister?

[Torres Aciego] I think the people are beginning to act conscientiously. We must not be frightened by the calls and threats of those subversive groups. I think we must confront them. This is the only way to destroy subversion, and all citizens must cooperate to defeat once and for all those subversives who only produce chaos in the country. [end recording]

State of Emergency Extended in Lima, Callao

PY0206231491 Madrid EFE in Spanish 2153 GMT
2 Jun 91

[Excerpt] Lima, 2 Jun (EFE)—The Peruvian Government today extended the state of emergency in Lima and El Callao Port for another 60 days because it believes terrorist groups continue to operate in these areas.

The measure was implemented through a decree published in EL PERUANO establishing that the Armed Forces are in charge of safeguarding internal order and suspending all individual constitutional guarantees. [passage omitted]

Leftist Guerrilla Group Member Arrested in Lima

PY0206204291 Madrid EFE in English 0644 GMT
2 Jun 91

[Text] Lima, June 2 (EFE)—A leading member of Peru's leftist Tupac Amaru Revolutionary Movement (MRTA) guerrilla group has been arrested in a raid on a safehouse in Lima, anti-terrorist police said.

Rosa Luz Padilla, 28, considered as the girlfriend of MRTA leader Victor Polay Campos, was arrested Saturday [1 June] along with seven other suspected guerrillas in Lima's Pueblo Libre district, they said. Padilla and Polay had escaped with 47 other MRTA members from Lima's top security Canto Grande jail in July 1990, after digging a tunnel under the jail's wall.

Police seized a number of weapons, ammunition and guerrilla uniforms in Saturday's raid.

The MRTA, which surfaced in 1984 with a machine-gun attack on the U.S. embassy in Lima, is Peru's second-largest guerrilla group after the Maoist "Shining Path". It takes its name from the leader of an 18th century Indian rebellion against Spanish colonial rule who was brutally executed.

Political violence has claimed more than 22,000 lives in Peru since Shining Path surfaced in 1980.

Venezuela

President Interviewed on Economic Cooperation

PM0306073491 Paris LE MONDE in French
31 May 91 p 7

[Interview with President Carlos Andres Perez by Marcel Niedergang in Caracas—date not given]

[Text] [Niedergang] For the second time, a Farabundo Marti Front delegation is meeting representatives of the Salvadoran Government in Caracas. On 3 June, the Colombian guerrillas are due to open preliminary peace talks with Bogota's envoys, also in Caracas. Is peace going to be restored to the region?

[Perez] I am optimistic and confident. The fall of the communist regimes in Eastern Europe is an essential factor in this development. It is possible that not all the guerrilla movements in America received much material aid from Eastern Europe, but they had an ideological stimulus. That is over. We are witnessing a fantastic upheaval in ideas and behavior here.

The Nicaraguan case must become a model for the whole region and must inspire the guerrilla movements still active in Guatemala, El Salvador, and Colombia to adopt the path of representative democracy. The Farabundo Marti Front leadership has already shown intelligence and it is capable of reforming without abandoning its demands. The Salvadoran Army, for its part, has realized that it cannot hold exclusive power. In

Guatemala, President Serrano is a skilled negotiator. I have personally encouraged the preparation of these different peace negotiations. Venezuela's doors are wide open to all those who want to negotiate peace in their country.

[Niedergang] Amid these general changes, what way out do you envisage for Fidel Castro's regime?

[Perez] In general, I refrain from making any public comment on Cuba, because it is impossible to forget what Cuba represented and still represents in Latin America and the Caribbean region.... Above all, I think it is inconceivable for the Cold War to be able to continue in Latin American and in one Caribbean island alone given the world situation following detente between Washington and Moscow.

Unfortunately, there is no sign on either side which suggests there is hope of any settlement being sought between Cuba and the United States. We are still prepared to help open up political cooperation to Cuba. I hope to meet with Fidel Castro at the Latin American summit in Guadalajara in Mexico in July. That could be an opportunity: I am sure that the Cuban leaders understand that there must be changes in their country. The question is what we are going to do in this new situation. I think it is appropriate to strengthen the role of the international organizations, especially the United Nations.

[Niedergang] France and Venezuela have invited 24 oil-producing countries to meet in Paris on 1 July. This initiative is prompting strong reservations in the United States....

[Perez] Things must be made clear. Neither France nor Venezuela, who are involved in this plan, intends to change the rules of the oil game. But the Gulf War showed us once again the degree to which the oil market is sensitive and unpredictable. Our conclusion is therefore simple and based on common sense: The mechanisms of communication between producers and consumers must be strengthened and the antagonism which has characterized relations between OPEC and the International Energy Agency for all too long must be ended. This must be done without ulterior motives.

[Niedergang] Have you recently put this idea to President Bush?

[Perez] Of course, several times. He replied that he does not really advocate this kind of dialogue. I greatly regret that, and I hope that President Bush will realize in time that his fears are unfounded.

[Niedergang] Do you think that the Bush initiative for the Americas, launched in June 1990 notably to establish a free trade area from Alaska to Tierra del Fuego has speeded up the regional regrouping plans in Latin America?

[Perez] That Bush initiative came at the right time and this is how Latin America understood it. It encourages us to improve our trade, first among ourselves, the Latin

countries. In Caracas, we have just decided to create a free trade area among the countries of the Andean Pact from 1 January 1992. Mercosur, which comprises Argentina, Brazil, Uruguay, and Paraguay is another force being formed. But that is not all: Venezuela which also belongs to the group of three (with Colombia and Mexico) has opened negotiations with Chile on a free market.

Mexico is negotiating its membership of the free trade area with Canada and the United States. But we need Mexico as it needs us. The further we advance along that path the more we will reduce the gulf between us and the North American economy. I think that there will one day be a common market in the Western hemisphere able to meet the challenge of the EEC which will probably have been extended to the east, and of the Japanese and South Asian market.

I think I know President Bush well. He thinks the Western hemisphere is a strategic necessity for the United States at a time in which big economic blocs are being created. We are no longer America's backyard but a market of 400 million people and perhaps also the region in the world which is closest to the West.

[Niedergang] For the past 30 years, there has been talk of "sowing oil" in Venezuela—of diversifying an economy which is still 65 percent dependent on oil revenue. Has this objective been attained?

[Perez] I cannot deny that we have wasted a good part of our oil wealth, but I would say that in a way we have "sown" oil well. Science and culture have progressed in our country thanks to that income. When I decided, almost 15 years ago, to nationalize the oil industry, people predicted disaster. Now, the Venezuelan National Oil Company is one of the biggest and most efficiently run world enterprises. We have refineries in Germany, and Veba Oil, with which we have a joint venture, is proposing to construct a refinery in Venezuela for processing the Orinoco bituminous oil reserves. For this project, we are also in contact with Amoco, an American company, and with the French companies Total and Elf Aquitaine.

[Niedergang] Like so many others in Latin America, you are implementing a neoliberal stabilization plan. Is this a radical change of direction?

[Perez] It is true that we had built very artificial economies with excessive protectionism and excessively large and complex state apparatuses, but we must not forget that we did that in the past in response to the exploitation and pressure to which we were subjected. To face the crisis, Latin America was forced to review its methods, adopt the rules of a market economy, and reduce the size of the state. We in Venezuela negotiated an agreement with the IMF which we think is suited to our situation, but we have not abandoned state intervention. We must admit our mistakes and open our doors to foreign capital without the restrictions of the past.

Regarding the old dream of Latin American integration, we believed in false slogans such as "Produce what we are and consume what we produce," but nobody can live in absolute self-sufficiency. And we have progressed more in recent years toward possible integration than we ever have before in our history.

President Carlos Andres Perez Visits Europe
WA3105135291

For reportage on the visit by President Carlos Andres Perez to Belgium, the Netherlands, France, and Germany, including reports on his talks with top leaders from these countries, please see the Benelux, France, and Germany section of the 30 May West Europe DAILY REPORT and subsequent issues.

*** Minister Duran Comments on Regional Issues**

91SM0306A Caracas EL UNIVERSAL in Spanish
(Section 1) 19 Apr 91 p 12

[Interview with Foreign Minister Armando Duran by Pedro Antonuccio; place and date not given: "Those Who Say That Carlos Andres Perez Is Foreign Minister Are Stating the Obvious"; first five paragraphs are introduction]

[Text] In the judgment of Foreign Minister Armando Duran, those who keep on saying that Carlos Andres Perez [CAP] is the president's foreign minister are stating the obvious, inasmuch as all chiefs of state, not just CAP, have conducted Venezuela's foreign policy while in power.

Duran thinks that the political aptitude, continuity, and professionalization of officials are the indispensable elements for insuring the operation of a modern foreign-policy apparatus. Duran may be traveling to Mexico next week for a meeting that the UN secretary general has called to discuss the pacification of El Salvador.

In Foreign Minister Armando Duran's opinion, the situation in Suriname is extremely delicate, inasmuch as elections there do not guarantee the democratic stability of the governments that emerge from them.

When asked about the sort of parallel diplomacy that occurs in certain ministries such as the Secretariat of the Presidency, he says that this is, rather, an attempt to deal with the huge amount of communication and information that marks relations between governments today, as the chief of state needs an effective apparatus that can support him in developing more fluid responses to world dynamics.

He is optimistic about the dialogue between oil producers and consumers, indicating in conclusion that he does not have information that Venezuela is promoting Cuba's entry into the Rio Group.

[Antonuccio] What elements are indispensable to insure a suitable and modern foreign-policy apparatus?

[Duran] The first thing that is needed is the political aptitude to develop a real foreign policy. For many years our Latin American countries have turned inwards too often. In the first place, because we were not aware of the trends that have fortunately been developing in the world. On the other hand, meanwhile, relations between North and South did not allow countries like Venezuela to develop their own strong and vigorous foreign policy to pursue certain goals that would further Venezuela's interests.

[Antonuccio] When does change happen and what factors are decisive in achieving such goals in foreign policy?

[Duran] The processes of democratization that have distinctly been prevailing in Latin America and the political aptitude of a series of presidents, such as Carlos Andres Perez, have put us in a very different situation from the one that Latin America faced several years ago. In this regard, Venezuela has been a very active participant in processes that range from pacification in Central America to new relations with the Caribbean and support for integration processes such as the Andean Pact, which in recent times have gained a momentum that seemed impossible.

The desire to join in, to be in tune with the major changes that have shaken the world in recent years, is proper. And given the integration of Europe and of the famous Asian tigers and given the phenomenon that is taking place at our doorstep, with the economic integration of the United States, Canada, and Mexico, we Latin Americans have no choice but to integrate as well, and the United States also has no choice but to open up to this extraordinary market called Latin America.

Continuity Is Basic in Foreign Policy

[Antonuccio] What plans and reforms do you plan to implement in the Foreign Ministry?

[Duran] There can be no talk of reforms. We are very accustomed to a new minister wiping the slate clean when he walks into his office. In a word, nothing has happened here; it is now that things are going to start happening. I think that this is a big mistake, not only in the Foreign Ministry but in any office as well. But the matter is even more delicate in the Foreign Ministry because if a clear-cut political aptitude is needed first off to have a true foreign policy, I think that the second requirement for achieving this aptitude is to insure the continuity of foreign policy.

[Antonuccio] This stands to reason, but it is not always done....

[Duran] We cannot go around making major changes, whereby one day we go this way and tomorrow the other way. My appointment is an enormous challenge to me because it is up to me to maintain this continuity of prominent foreign ministers, such as Simon Alberto Consalvi, Enrique Tejera Paris, and Reinaldo Figueredo.

In other words, there have been prominent representatives of this aptitude, determination, and continuity through the years. So it is up to me merely to continue along their path by intensifying the efforts that they have made to achieve the third element that any foreign policy must have, which is none other than the modernization and professionalization of the Foreign Relations Ministry. We will thus be insuring that the determination to move in a certain direction will be supported by top-quality personnel, such as can be found today in the Foreign Ministry.

Stating the Obvious

[Antonuccio] Former President Herrera Campins and the deputy chairman of the Foreign Policy Committee of the House of Deputies, Ramon Guillermo Aveledo, contend, among others, that President Perez is pursuing his own foreign policy, thus significantly reducing the sphere of action of the foreign minister....

[Duran] It seems to me that they are stating the obvious, because President Perez is not the only one who has conducted foreign policy. All of the chiefs of state including, I hope, former President Herrera Campins, have done so during their five-year terms. Moreover, this is what the Constitution of the Republic says. No foreign minister can impose a foreign policy on the country. The president of the republic is the one who conducts it. But there is something even more important. The ministers of an administration are the chief of state's secretaries for different areas. A minister cannot possibly pursue his own policy. What they are simply doing is interpreting the policy of the chief executive, who when all is said and done is the only one of us who was elected.

[Antonuccio] Next week you will be accompanying President Perez to Costa Rica. What can we expect from this visit as far as agreements and treaties are concerned?

[Duran] I do not think that I will be able to go to Costa Rica, because on the 23d and 24th there will probably be an important meeting in Mexico, called by the UN secretary general, which will be attended by the representatives of Spain, Mexico, and Colombia, as part of the efforts to complete the peace process in El Salvador. Later, I will be traveling to Luxembourg, where the foreign ministers of the Rio Group will hold a summit meeting on the 26th and 27th with their counterparts from the European Economic Community (EEC) as part of a move towards closer ties and cooperation between Europe and Latin America, which is fundamental to us.

[Antonuccio] What specific issues are we interested in bringing up at the Rio Group's meeting with the European Community?

[Duran] At this meeting we will continue to explore the possibilities of further economic cooperation between Europe and Latin America. And although the Rio Group is not an economic organization, almost all of the nations of Latin America belong to it; it is thus the ideal

vehicle for proposing to the EEC the terms of an economic relationship that is beneficial to both sides. But beyond a shadow of a doubt we have to try and iron out some difficulties that exist between Latin America and the European Community in the area of trade relations and economic cooperation.

I Will Sponsor the Foreign Service Bill

[Antonuccio] Having the Foreign Service Bill passed is a major goal of Foreign Ministry officials. Do your plans include pushing for its passage, with the latest amendments to it?

[Duran] It has to be pushed. A few years ago a bill was submitted to Congress, which did not pay much attention to it, and it went undiscussed. What has been done in recent times has been to revise that bill and bring it up to date and in line with what the Foreign Service ought to be. The revision process unquestionably has to be speeded up. What we want, because it has not been discussed in Congress, is to salvage all of the good things in the bill and bring it up to date.

[Antonuccio] The major foreign-policy activities undertaken by the Ministry-Secretariat of the Presidency have prompted many to conclude that there is a parallel diplomacy. Every day more and more government and private agencies are making foreign policy, although the Foreign Ministry retains its role of executing policy....

[Duran] The fact is that governments are expanding, and relations are too. International relations today are marked by fluid communications between the presidents of the various countries. Ever since we have had fax machines, digital telephones, and international direct dialing, communication has been much less formal and protocol-bound. And given all of the communications that the chief of state receives, the Office of President of the Republic has to have an apparatus that will support him in the direct, ongoing contacts that he has with practically all chief executives around the world.

Elections in Suriname

[Antonuccio] Could relations with Suriname normalize once the elections scheduled for May are over?

[Duran] The situation in Suriname is extremely delicate. Elections there do not at all guarantee the democratic stability of the governments that emerge from them. I am convinced that they will be very clean, absolutely faultless elections. But the real problem is the fear that Desi Bouterse's presence as chief of the Armed Forces generates, not just the election. The election is a significant, but almost exclusively pro-forma event.

[Antonuccio] What is Venezuela doing in this connection?

[Duran] We have been making a major effort, both within the framework of the OAS and individually. A few days ago a Venezuelan delegation was in Paramaribo, and we are still trying to alter a situation that could lead us to the sort of dilemma that we faced in Panama.

[Antonuccio] Given the reaction to President Perez' call for a dialogue between producers and consumers, is there still a chance that one can be held?

[Duran] There are wonderful prospects for a dialogue, especially after the backing that President Mitterrand has been giving it. The French foreign minister's statements in Caracas three weeks ago were categorical, and by and large the European nations are very much in agreement with this. The only minor obstacle is the doubts that the United States has about the issue, since it fears that such an accord could constitute interference by governments and countries in the marketplace. But there is really no reason that it has to be. This is why I say that this obstacle will not become a permanent problem, because the producing or consuming countries are not going to set crude oil prices above the market price either.

[Antonuccio] What is the real purpose of this?

[Duran] First, to hold a dialogue. Since 1973 there has been a confrontation between the OPEC members and the industrialized countries that make up the International Energy Agency. This became very clear in the wake of the Gulf war. After this confrontation we moved into a period of understanding and desire for cooperation. OPEC's decision at its August 1990 meeting in Vienna to boost output so that prices would not skyrocket shows the spirit of cooperation that motivates the producers. We have come to the conclusion that the worst thing that can happen to all of us is these violent price hikes, because the drops come immediately thereafter. Such ups and downs in the oil market are good for neither producers nor consumers.

Cuba and the Rio Group

[Antonuccio] The possibility of Cuba joining the Rio Group prompted some controversy over the essence of the informal arrangement for developing a consensus. Has this been proposed?

[Duran] I do not think that it will ever be proposed. I have the impression that it was a misinterpretation and somewhat fast-and-loose information from the cable. I have no information that Venezuela or the Rio Group is promoting Cuba's membership in the group. What Venezuela has been promoting is what we could call the reincorporation of Cuba into the Latin American community. We have always thought that harassing or isolating Cuba prevents what we all want from happening there, which is domestic liberalization. And the statements by the Socialist International last weekend in Aruba are very clear, asserting that we must demand both that the United States end the blockade and that Cuba begin liberalizing. This should then lead to a normalization of the dialogue between the United States and Cuba and to the start of a process that will wind up incorporating Cuba into Latin America, because after all it too belongs to the continent. This is a problem that we have to do our best to solve, but of course Cuba has to do its best too.

[Antonuccio] How would you rate the work of the Colombian-Venezuelan bilateral commissions and what chance do we have of reaching border agreements in the medium-term?

[Duran] The work of the bilateral commissions represents an extraordinary accomplishment. There is a whole series of controversial issues pending, but what we are achieving through these commissions in the border area, with joint hospitals, development zones, etc., is resolving a number of our difficulties, which because they are not controversial do not arouse much enthusiasm and interest either. And yet they represent a victory and a success for the two governments in this bid to draw closer together.

[Antonuccio] And what about the border-demarcation problems?

[Duran] Just as the two countries are taking care of this entire border situation, the other problems will be settled over time. When? We do not know, but the point is not to put a deadline on things either.